Daily Report

Latin America

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FBIS-LAT-91-188 *27 September 1991*

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Cuba

Castro Vows To Stay, Continue Revolution

PA2609150591 Paris AFP in Spanish 1120 GMT 26 Sep 91

[Text] Madrid, 26 Sep (AFP)—"I will never retire from politics or give up the revolution or my ideas. I am a slave to power," Cuban leader Fidel Castro said before voicing his disagreement with the withdrawal of Soviets from the island.

In statements made to journalists in Cuba and published today by Madrid media, he described the position of Spanish dictator Franco toward Cuba as "irreproachable." "Franco was splendid toward Cuba," Castro insisted before underscoring the "courage" of Manuel Fraga, president of the autonomous region of Galicia (northwest Spain), for visiting him "in difficult and complex times." Fraga, who is leader of the conservative opposition in Spain, was minister under Franco.

Fidel Castro said that it was not his wish to "reduce relations with the USSR, nor with what is left of it," because "we have maintained 30 years of relations in which we established very strong ties, affection, and friendship."

He pointed out that "we cannot agree with the presence of Yankee troops at the Guantanamo Naval Base against our people's will."

On the upcoming congress of the Communist Party of Cuba, Castro assured that "this congress will take place amid special and difficult conditions." "We are obliged to hold it as any other party would. There could be changes, but they will be more revolutionary ones. No other country has made more changes than we have in 30 years," he added.

"We will not change things we have already changed or retrogress. Nothing will stop our people's resolve to struggle and resist," Castro insisted before harshly criticizing the market economy.

As for international opposition against the Castro regime, the Cuban president said that there is only one opponent, the United States, and "the rest is fiction."

He said that relations between Cuba and Spain are "simply normal" and voiced his wish that they be warmer and that there be more cooperation between the two countries.

Fidel Castro made these statements during Manuel Fraga's current visit to Havana.

International Brigade Condemns U.S. Blockade

FL2709020291 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 27 Sep 91

[Text] Representatives of the coordination committee of the Jose Marti Brigade have issued in Havana a letter condemning the U.S. blockade against Cuba. The brigade has been engaged since 15 September in agrarian and construction efforts in Havana. The letter is directed to UN Secretary General Javier Perez de Cuellar.

[Begin unidentified speaker recording] Therefore, as citizens of the world, we are requesting the suspension of all restrictive measures which in every field bar free international trade with Cuba. Finally, we demand that you, as secretary general of the United Nations, implement the necessary measures to ensure that the right of the Cuban people to self-determination, dignity, and independence is upheld. [end recording]

The brigade is comprised of members of 11 delegations from different western European countries. During a news conference brigade members emphasized that they will continue to work toward the end of the imperialist blockade and to ensure that the Cuban reality becomes known in their countries.

Ecuadoran Congress Demands End of U.S. Blockade

FL2709020491 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 27 Sep 91

[Text] Today, the Ecuadoran Congress asked the 46th UN General Assembly to demand that the U.S. Government suspend the blockade against Cuba. The resolution also asks the Ecuadoran Government to back up at the UN Assembly this demand to end the economic, trade, and financial blockade that Washington established in the sixties after the victory of the Cuban revolution.

Commentary on Regional Solidarity Against Embargo

PA2609230791 Havana Radio Havana Cuba in Spanish 1400 GMT 26 Sep 91

[Commentary by Roberto Morejon]

[Text] Latin American and Caribbean media believe a debate at the United Nations on the possible lifting of the U.S. embargo against Cuba is necessary in view of recent changes around the world.

That position, stubbornly rejected by Washington, has been evident again over the past few weeks as a result of Cuba's attempts to include the subject of the U.S. embargo on the agenda of the current session of the UN General Assembly.

Venezuelan President Carlos Andres Perez has asked the U.S. Government to end the economic, commercial, and financial blockade against Cuba. He also stressed in New York that the period of East-West confrontation should be followed by a period of North-South cooperation.

Sahadeo Basdeo, foreign minister of Trinidad and Tobago, a country geographically very close to Cuba, said in Port-of-Spain that his country is promoting among the other members of the Caribbean Community

the lifting of the U.S. commercial embargo against Cuba. Minister Basdeo is confident that Caricom will reply positively to this initiative.

Many of the voices that reject this inhuman restrictive measure demand its elimination and call for civilized coexistence in the Western Hemisphere. The countries bordering the Caribbean could strengthen mutually beneficial ties with Cuba as a means of facing the current underdevelopment in the region. However, the U.S. embargo prevents this, since it includes all scientific, cultural, sports, or economic exchanges that could benefit the island financially. In addition, Washington is blacklisting any ships that touch Cuban ports or transport merchandise to or from Cuba.

Washington's desire to strangle Cuba affects third nations and free trade, which is based on the objectives and principles of the current round of GATT talks being held in Uruguay. This declaration, signed in 1986, established a commitment to reaching the greatest liberalization and expansion of world trade for the profit of all countries. However, the United States ignores the document and blocks exchange between Cuba and its Caribbean and Latin American neighbors.

PCC Congress Delegates To Consider Resolutions

FL2709120791 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Sep 91

[Text] The text of the four draft resolutions approved recently by the organizing commission for the Fourth Communist Party of Cuba [PCC] Congress will be consulted starting today by the delegates to the congress. The purpose of the analysis is to study each document unhurriedly in order to request clarification and formulate proposals. The documents to be consulted now, which will eventually be presented, discussed, and submitted for the approval of those attending the congress, are draft resolutions on the country's economic development, the PCC program, improving the organization and functioning of the people's government bodies, and the PCC statutes.

Aristide Praises Situation of Haitian Immigrants

FL2609123991 Havana Tele Rebelde Network in Spanish 1200 GMT 26 Sep 91

[Text] Haitian President Jean-Bertrand Aristide has greeted the Cuban people and the Haitian immigrants who live in our country during his speech to the UN General Assembly. In his first speech to that international forum, Aristide expressed his satisfaction with the situation of the Haitians who live in Cuba and are integrated into Cuban society. In addition, the Haitian president recounted in detail the economic conditions and social characteristics inherited from the tyranny that governed his country until 1986.

Fraga Tours Hospital, Attends Square Opening

FL2709012591 Havana Radio Rebelde Network in Spanish 2348 GMT 26 Sep 91

[Text] Galician President Manuel Fraga Iribarne has just concluded a tour which began at the Miguel Enriquez Hospital, continued through to the biotechnology center, and concluded a few minutes ago with the inauguration of the Galician Square in El Cerro municipality. There, Mr. Fraga was greeted by hundreds of residents in a beautiful and cheerful ceremony.

Continues Tour

FL2609120691 Havana Tele Rebelde Network in Spanish 1100 GMT 26 Sep 91

[Text] During the second day of his stay in Cuba, Galician President Manuel Fraga Iribarne met with Osmani Cienfuegos, the vice president of the Councils of State and Ministers. Fraga, accompanied by about 30 Spanish businessmen, most of them Galician, also visited the Chamber of Commerce. Chamber of Commerce President Julio Garcia Oliveras provided an explanation about the policy for foreign investments in Cuba and the facilities given foreign capital.

In the morning, the Galician president paid homage at the Colon Cemetery to the memory of Galician immigrants who had died in Cuba. After touring the mausoleum of the Galician associations, Fraga Iribarne signed the visitors' book. The Havana group "Galician Tunes" played the old Galician anthem and accompanied the visitors on a tour of the different mausoleums of Galician assocations. There, Fraga was accompanied by his fellow countrymen and heard explanations about the mausoleum's architectural characteristics and history.

Castro Attends Embassy Reception

FL2709121391 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Sep 91

[Text] Commander in Chief Fidel Castro attended the reception held last night at the Spanish Embassy in honor of Mr. Manuel Fraga, the president of Galician regional government. Upon his arrival late at night, the president of the Cuban Councils of State and Ministers was met by Spanish Ambassador Gumersindo Rico and Galician President Manuel Fraga Iribarne.

Many members of the delegation accompanying the Galician president, Cuban Government ministers and officials, well-known Cuban and Spanish figures, a broad representation of the foreign press covering Mr. Manuel Fraga's visit, and Cuban reporters were also present.

Fidel and Fraga held an animated conversation with well-known Galician industrialist Eduardo Barreiro. In his conversation with those present, the commander in chief mentioned the trip Mr. Fraga will make today to Manati, Las Tunas Province, and expressed interest in the delegation's schedule of activities over the next few days.

French Deputies Endorse Increased Ties

FL2609022391 Havana Tele Rebelde Network in Spanish 0000 GMT 26 Sep 91

[Text] Today, Deputies Michel Crepeau and Claude Gerard Marcus, members of the foreign commission of the French National Assembly, arrived in Havana to hold talks with their Cuban counterparts. This visit is part of a trip to the Caribbean which has included Haiti and Jamaica in order to better assess the reality of these countries. Zoila Benitez, vice president of the National Assembly of the Peoples' Government; Philippe Peltier, French ambassador to Cuba; and other officials were on hand at the Jose Marti Airport to greet the visitors.

Deputy Crepeau expressed his opinion on the UN General Assembly debate of the U.S. blockade against Cuba.

[Begin Crepeau recording in French with simultaneous translation into Spanish] France does not want an embargo against Cuba. On the contrary, we want to develop ties on the basis of the economic reality of both countries. Particularly, as you are aware, French companies have been greatly involved in the telephone, oil, and the cultural sectors. Nowadays, these ties are even closer. [end recording]

Juan Escalona Meets Delegates

FL2609213591 Havana Radio Reloj Network in Spanish 1932 GMT 26 Sep 91

[Text] Juan Escalona Reguera, president of the National Assembly of the People's Government, has met with the French parliamentary delegation headed by Deputy Michel Crepeu, president of the foreign commission of the French National Assembly. Deputy Claude Gerard Marcus also participated in the meeting. Both legislators mentioned that from the airplane they had seen the green of the countryside which reflects Cuba's agricultural efforts and predicted its success.

Deputy Crepeu said that they had just visited Haiti and Jamaica and that the contrast between these countries and Cuba is evident. He noted Cuba's success obtained in the health and education sectors. Additionally, he expressed interest in maintaining dialogue with all parliaments and advocated that the European Community should develop its ties with Latin America and the Caribbean.

CEA Delegation Tours Iranian Nuclear Plant

FL2609120891 Havana Tele Rebelde Network in Spanish 1100 GMT 26 Sep 91

[Text] The Cuban Atomic Energy Commission [CEA] delegation headed by Fidel Castro Diaz-Balart which is visiting Iran has visited the areas of the (Buche) nuclear power plant in Iran. During their stay in Iran, the Cuban experts have familiarized themselves with the progress of the construction and assembly work on the two units with pressurized water reactors that can produce 1,300 megawatts of electricity each.

The Cuban delegation had previously held working meetings in Tehran at the Nuclear Research Center and the Department of Radiological Protection of the Iranian Nuclear Agency. CEA Executive Secretary Castro Diaz-Balart had previously met with Iranian President 'Ali Akbar Hashemi-Rafsanjani at the Government Palace.

Central Bank President Meets With CDB Official

FL2609124091 Havana Tele Rebelde Network in Spanish 1200 GMT 26 Sep 91

[Text] Caribbean Development Bank [CDB] President Mr. Neville Nicholls and the delegation that is accompanying him have met with Hector Rodriguez Llompart, the minister-president of the Cuban National Bank [BNC]. At the meeting, which took place at the BNC, they talked about the ties between the CDB and the BNC, and between the two banks and other CDB members.

UNECA Reports Increase in Foreign Projects

FL2709121091 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Sep 91

[Text] The construction of various works in Libya, the Congo, Brazil, and Czechoslovakia are the immediate projects of UNECA [Union of Caribbean Construction Enterprises] Corporation, which expects to build projects worth about $400 million this year. This growth in value in comparison to last year is due to an increase in foreign contracts and the heavy investment program being carried out for tourism in Cuba. The quality of the work done to date and the training of its personnel allows UNECA to compete on the international market. In 1984 UNECA was organized as a private enterprise and has built complex and major works of various types in more than 15 nations.

Foreigners Attend Isle of Youth Schools

FL2609152991 Havana Radio Reloj Network in Spanish 1402 GMT 26 Sep 91

[Text] Over 11,000 young people from 23 Third World countries—not counting the ones being trained as educators—study at the Isle of Youth, mainly at the basic secondary and pre-university levels. Alexis Verdecia, chief of the Foreigners Department at the Municipal Education Directorate, and Zaida Serrano, methodologist, reported that the school year had a good start in the 24 internationalist schools and that they have all the educational supplies and resources they need.

Most of the students are from Africa. Angola has over 3,400 youths there and Mozambique some 1,400. The international school program began to be developed on the Isle of Youth in 1977. Since then, thousands of young people from underdeveloped countries have graduated from those centers.

Further on Korea's No Tae-u's Visit

SK2709020491 Seoul YONHAP in English 0131 GMT 27 Sep 91

[Text] Mexico City, Sept. 26 (YONHAP)—Mexico City made visiting South Korean President No Tae-u an honorary citizen and presented him with a key of luck Thursday [26 September].

Mayor Camacho Solis greeted the Korean first couple at City Hall and guided them through the presentation ceremony.

No arrived here Wednesday, the first South Korean president ever to visit Latin America. He held summit talks with Mexican President Carlos Salinas in which the two leaders agreed on closer political and economic cooperation.

The City Hall ceremony lasted longer than scheduled as No was taken up to the stage with the choir when it started to sing one of his favorite songs, "Besame Mucho."

The president, a few minutes late, then went to pay respects at a tower built to remember Mexican soldiers who died fighting against the United States in the Mexican war (1846-1848).

He signed the visitor's book with a message expressing his "respect for the patriotic soldiers" and bowed in silence as a band played the national anthems of Mexico and Korea.

Francisco Rogelo Garza, head of the Korea-Mexico Economic Cooperation Committee, gave a luncheon for No with leading Mexican businessmen later in the day.

Mexican Secretary of Commerce Jaime Seria Puche welcomed the Korean president to his country and expressed hope that the two nations would become new partners in the Pacific era and that No's visit would serve to strengthen bilateral ties.

No responded by promising to share Korea's economic and technological experience and to boost scientific and tourist exchanges.

Mexican President Carlos Salinas hosted a breakfast meeting for visiting Korean businessmen, some of whom accompanied No on his state visit and others of whom are here for a Korean products fair that opened Thursday afternoon.

Korean Trade and Industry Minister Yi Pong-so, Korea Trade Promotion Corp. (Kotra) President Kim Chol-ui and business leaders such as Hyundai group Chairman Chong Se-yong and Daewoo Chairman Kim Wu-chung were at the breakfast meeting.

Salinas said he was certain of promising bilateral cooperation between Korea and Mexico, and hoped for active Korean investment and joint projects.

Ku Pyong-hoe, chairman of the Lucky-Goldstar group, expressed his concern that the projected North American Free Trade Agreement (NAFTA) might pose difficulties for foreign investors and asked that Mexico provide favorable terms to make investment easier.

Trade To Double

SK2709060091 Seoul YONHAP in English 0500 GMT 27 Sep 91

[Text] Mexico City, Sept. 26 (OANA-YONHAP)—South Korea and Mexico agreed Thursday [26 September] to double their trade, expedite investment and hold annual talks between their commerce ministers.

Korean Trade and Industry Minister Yi Pong-so and Mexican Commerce Secretary Jaime Seira Puche agreed that they should double last year's 800 million U.S. dollars in bilateral trade and signed an informal pact.

Korea and Mexico are to exchange visits by investment teams to expedite joint ventures. The first visit is scheduled for October, when Korean textile officials will come to Mexico.

Seira responded favorably to Yi's request for their nations to conclude a pact on preventing double taxation, saying the government would study the possibility and initiate negotiations as soon as possible.

Yi was accompanying President No Tae-u on his state visit to Mexico, where No and President Carlos Salinas de Gortari held talks that dwelt mostly on economic issues.

Yi and Seira agreed that they should double trade and are to discuss detailed plans in future negotiations. The ministers will meet annually from next year to discuss impending trade matters.

Mexico will diversify its exports to Korea from fewer than than 10, including crude oil, to 59.

Cooperation Accords Signed

PA2709013791 Mexico City NOTIMEX in Spanish 0909 GMT 26 Sep 91

[Text] Mexico City, 26 Sep (NOTIMEX)—Mexican President Carlos Salinas de Gortari has announced that Mexico and the ROK have signed three cooperation agreements dealing with science and technology, tourism, and economic and political planning.

At a dinner hosted by ROK President No Tae-u during his official visit to this country, the Mexican president emphasized that both commerce and friendship are two-way roads. Salinas stressed the entry of ROK into the United Nations and said that Mexico has closely followed the modernization process in that Asian country.

Salinas said that in the measure that the people from both countries get to know each other better, cooperation will be strengthened. He said that this cooperation is part of the modern dynamics of the international economy and will allow these countries to serve as a bridge of dialogue between the north and south.

Salinas mentioned the high level of education in South Korea. He compared it to the process of recovery and economic progress that is underway in Mexico and that responds to the needs of the population. All these economic activities in Mexico set the stage for the return of this country to the international market, Salinas added.

Salinas said that the economic strategy of Mexico does not pursue closed economic blocs, as reflected in the spirit of the free trade treaty that was signed with Chile and the ongoing negotiations to sign a trilateral free trade agreement with the United States and Canada.

The Mexican president stated that the current challenge of bilateral relations will be to increase the exchange of investments. He said that both Mexico and the ROK are pleased that they are both Pacific Rim countries, adding that this promotes security and international friendship.

Meanwhile, No Tae-u, who is on an official 3-day visit to Mexico, stressed that the elections which took place last August revealed the strong support of the people for the Mexican Government and its policy of modernization and reform. No Tae-u said that the national plan of development, sponsored by the Mexican president, "continues to yield successful results in the political, economic, and social fields. [no closing quotation mark as received]

Regarding international matters, No Tae-u emphasized the important role played by Mexico during the first Ibero-American Summit, which was held last July and which turned Mexico into one of the most important countries of the world.

Referring to the East Asian region on the western end of the Pacific Ocean, where the ROK is located, No Tae-u said that this area of the world has registered the highest economic growth in the world during the postwar period.

This situation has forced the countries that form the Pacific Basin to increase mutual cooperation through more dynamic exchanges and economic cooperation based on similiar economic structures.

The free trade agreement which is being negotiated by Mexico, Canada, and the United States, the ROK president concluded, extends beyond economic cooperation.

French Official Assesses Relations, Trade

PA2609002091 Paris AFP in Spanish 0123 GMT 25 Sep 91

[Text] Mexico City, 24 Sep (AFP)—Michel Vauzelle, chairman of the French National Assembly's Foreign Relations Committee, delivered on 24 September a message from French President Francois Mitterrand to Mexican President Carlos Salinas de Gortari.

Vauzelle was asked about the message when he left the meeting, but he gave no details because he claimed that he was not authorized to do so. He simply said that the message was "certainly inspired by President Mitterrand's friendship with Salinas and his interest in Mexico."

Vauzelle said that the French president's plans to visit Mexico were reviewed. He added that "the two presidents want this visit, but their particularly heavy schedules and the current international situation must be considered before setting a date."

The French representative, who is on a two-day visit to Mexico, also mentioned the plans for a January 1992 meeting of the chairmen of the Latin American and European parliaments' foreign relations committees under the chairmanship of Laurent Fabius, president of the French National Assembly, in Paris.

"European attention is too concentrated on Eastern and Central Europe. This is worrisome for our future, and the Latin American countries must form a bloc. This rapprochement must not be interpreted as an aggressive action against non-Latin countries," Vauzelle said.

"It is simply a matter of not depriving ourselves of all the strength and the demographic, economic, social, and political dynamism that Latin America represents," the French representative emphasized when referring to the meeting, which could be held on an annual basis.

Vauzelle, who is also chairman of the French committee for the celebration of the 500th anniversary of the "meeting between two worlds," explained that there prevails "a deficit between the strong feeling that Europe has for Latin America and the true level of relations between the two continents."

Television and the exchange of images between the two continents could be "one of the first dossiers analyzed by the parliamentary members during the Paris meeting, which will also include the participation of various intellectuals and leading figures from the two continents," Vauzelle said.

Vauzelle reviewed relations between France and Mexico, which he described as excellent. He emphasized "the foremost role currently being played by Mexico in the world." He said that President Mitterrand is closely following Mexico's economic growth, because it may become an important associate.

Government Satisfied With Accord in El Salvador

PA2609181091 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 26 Sep 91

[Text] The Mexican Government has voiced its profound satisfaction over the agreement reached on 25 September at United Nations headquarters between the Salvadoran Government and guerrillas. A communique issued by the Foreign Relations Secretariat stated that the Salvadoran Government and guerrillas have taken a decisive step to attain peace in that Central American country.

Belize

Minister on Resignation of Guatemalan Counterpart

FL2409233791 Bridgetown CANA in English 1707 GMT 24 Sep 91

[Text] Belize City, Belize, Sept 24, CANA—Belize Foreign Minister Said Musa said Guatemala has confirmed the immiment resignation of its Foreign Minister Alvaro Arzu over his opposition to diplomatic recognition of Belize.

"The president (of Guatemala) was not satisfied that the foreign minister was carrying out his policy of recognising Belize and having full diplomatic relations with Belize and this is why the president asked for the resignation of the foreign minister," Musa said.

Guatemalan newspapers reported that Arzu was against recent moves away from a longstanding territorial claim and towards recognising Belize, and quoted him as saying President Jorge Serrano had told him nothing about the action.

Musa said on radio Monday that Guatemala City earlier in the day reassured the government here on the matter: "We were assured from the office of the president of Guatemala that this was coming and we were assured not to worry and this will not change anything."

Musa led a te..m of opposition and government representatives to Guatemala City last week for talks with the government after opposition in the Guatemala Congress resulted in postponement of President Serrano's plans to pay a visit here, coinciding with 10th independence anniversary celebrations. The delegation returned with a joint communique stating that negotiations would continue towards resolving the century-old Guatemalan territorial claim.

El Salvador

FMLN Commander Says Truce Expired 25 Sep

PA2609231891 San Salvador Radio Cadena Sonora in Spanish 1730 GMT 26 Sep 91

[Text] Leonel Gonzalez, one of the five members of the FMLN [Farabundo Marti National Liberation Front] General Command, said that the results of the New York dialogue were positive but then announced that the unilateral truce the guerrillas had decreed to take effect on 14 September in order to create a favorable atmosphere for the talks expired on the night of 25 September.

[Begin Gonzalez recording] We still maintain the position, as expressed in our communique, that the truce was to last throughout the New York negotiations. Now that the talks have ended, so has the truce, but we are willing to extend it provided the government shows its willingness to also offer a comprehensive truce. [end recording]

Leaders Praise Recent Peace Agreement

PA2709013591 Paris AFP in Spanish 2143 GMT 26 Sep 91

[Text] San Salvador, 26 Sep (AFP)—Major Roberto D'Aubuisson, top right-wing leader of the ruling Nationalist Republican Alliance [ARENA], after describing as "excellent" the agreement signed between the government and the Salvadoran rebels at the United Nations on 25 September, said on 26 September: "This is the year of peace for El Salvador."

D'Aubuisson—the most influential leader of the Salvadoran right wing over the past few years, who led his party, ARENA, to the Presidency in March 1989—told the press that this agreement "is what the Salvadoran people had been waiting for." He pointed out, however, that "we will not have peace overnight."

In addition, the founder of ARENA believes "it is absurd to speculate on a probable coup" as a result of the accords reached between President Alfredo Cristiani and the Farabundo Marti National Liberation Front [FMLN] over the restructuring of the Army and the dissolution of security organizations.

The right-wing leader, who is afflicted with terminal cancer, told the press on 26 September during a gathering to mark the 10th anniversary of the party, which was founded on 30 September 1981 with the support of the country's wealthy sector: "After the war is over, we will again all be equal because all of us will be within the law."

In addition, Vice President Francisco Merino said: "No one should be surprised, much less frightened, that others speak of purging the Armed Forces. It is the misfits who bring scorn upon themselves and the institution. Removing them is a healthy administrative measure."

Finally, Armando Calderon Sol, president of ARENA and mayor of San Salvador, said that he is "very happy, because peace is near at hand. Learning of the New York agreement, we have concluded that peace is just around the corner. ARENA and the Salvadoran people are overjoyed with the potential of this agreement for the country."

Spanish Officials Arrive for Jesuit Trial

PA2709025491 San Salvador Canal Doce Television in Spanish 0300 25 Sep 91

[Report by Antonio Mineros]

[Text] Five members of the Spanish parliament have arrived in the country. In less than 48 hours the public trial against nine soldiers will begin. These soldiers have been implicated in the murder of six Jesuit priests and two of their employees. The Spanish delegates will participate as observers at the trial. Socialist Party Deputy Luis Fajardo Spinola, the head of the delegation,

said that the trial is important because it will prove the existence or nonexistence of more impunity within the military in El Salvador.

[Begin Fajardo recording] We have concluded the following from our thorough evaluation of the facts. First, we have found irregularities in the investigation. Second, we believe that there has been impunity for certain high-level government officials, especially within the Armed Forces. We have criticized this in our conclusions. We now have reason to believe that the trial will put everything in its place and that justice will be done. [end recording]

The delegation headed by Fajardo includes: Gabriel Cisneros, Pere Balta, Manuel Garcia Fonseca, and Enrique Arnaldo Alcubilla. Fernando Alvarez De Miranda, the former Spanish ambassador to El Salvador from 1986 to 1989, will also be present.

[Begin recording] [Alvarez] We have come as a parliamentary delegation of observers for the general courts of Spain and the Congress of Deputies. Our mission is to observe, listen, and draw conclusions on the development of this process.

[Mineros] What is your opinion about the person who is found guilty? Do you think that that is as far as the Armed Forces' responsibility goes with regard to the murders?

[Alvarez] Our opinion is based on the investigation we performed during our last trip. The results are included in a report, which we will make public on 26 September in a public ceremony that will take place at the Central American University. A series of conclusions in the report express our opinion about those sad events. [end recording]

The Spanish Parliament members spoke with Ricardo Conde, their ambassador in El Salvador, and learned that they will meet with the authorities of the Jose Simeon Canas Central American University.

Peace Group Protests U.S. Military Aid

PA2609124391 San Salvador Canal Doce Television in Spanish 0300 GMT 25 Sep 91

[Report by Erwin Ortiz]

[Text] A group of people who belong to the Permanent Committee for the National Debate on Peace [CPDN] marched on 24 September to the U.S. Embassy to demand an end to U.S. military aid to El Salvador. This demonstration was different from others, the demonstrators did not shout antigovernment slogans, did not insult anyone—they only asked for the end of military aid to the country. Along the entire route, the CPDN members sang religious hymns. Reverend Edgar Palacio criticized the war and the delivery of the money that sustains it.

[Begin Palacio recording] We call on the United States not to approve military aid because weapons only serve to destroy. There has been much bloodshed over these long 11 years of war. We want our sister peoples to help us resolve our economic, social, and political problems. [end recording]

Afterward, the CPDN held a rally outside the U.S. Embassy. During this rally, the Christian Committee for the Displaced Persons of El Salvador, CRIPDES, reported a threat against its leader Mirtala Lopez by the self-proclaimed Salvadoran Anticommunist Front [Frente Anticomunista Salvadoreno].

[Begin Lopez recording] This letter says: We are a few hours away from proving to our beloved people that our front complies and makes justice prevail over terrorism. Do not flee, our guns are trained on your body. [end recording]

This is the fourth communique received by CRIPDES, Lopez said.

The protest against military aid ended at around noon. The groups that comprise the CPDN believe they contribute to end the country's violence. They said that similar demonstrations have taken place opposite the U.S. Senate to put direct pressure on those who have the final decision to end military assistance.

Report on FMLN Guerrilla Activities

PA2409190091

[Editorial Report] San Salvador Canal Doce Television in Spanish at 0300 GMT on 17 September broadcasts a one-minute report concerning the Salvadoran Army accusation that the guerrillas have violated the unilateral truce declared the previous week at the talks in New York. The report states that an Armed Forces press officer advised on 16 September that on 15 September one soldier was killed and three more were wounded while fighting off FMLN (Farabundo Marti National Liberation Front) attacks against military positions in various parts of the country. The report adds that five guerrillas were wounded. The report concludes that "the FMLN said over Radio Venceremos that the Army is taking advantage of the truce to launch counterinsurgency operations."

San Salvador LA PRENSA GRAFICA in Spanish on 17 September publishes a 200-word report on FMLN activities in various parts of the country—no dates are mentioned. The report begins with two FMLN "harassment attacks against positions of Military Detachment No. 4 in Perquin and the Pericon Hills in Morazan Department, which resulted in no casualties." The report adds that "a clash took place in El Chaguiton Canton where one guerrilla was wounded. One RPG-7 rocket launcher and various bombs were confiscated from him." The report continues: "An underground FMLN hideout was found between Canaverales Canton and the village of Las Marias, near the Honduran border, with 300 detonators, six Claymore mines, four olive drab uniforms, three RPG-7 rocket launchers, replacement

barrels for various weapons, loaded clips, and plenty of material to manufacture bombs."

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 19 September broadcasts a one-minute battle report and a one-minute report on "violations of human rights, denouncing the constant searches by the Armed Forces without warrants and other repressive acts." The announcer says: "At midday on 17 September the Treasury Police searched the home of former political leader Otto Reyes, and according to civilian sources, as of 18 September the Treasury Police are still near the Reyes' residence checking on his movements. This incident is in addition to the search by special General Staff units on 17 September of the home of UDN [National Democratic Union] political leader Norma Guevara, as well as the homes of community leaders Miguel Cordoba and Ismael Penate, in Los Capulines, Quezaltepeque Jurisdiction, La Libertad Department." The station reports on four casualties inflicted upon Paracaidistas Battalion soldiers in combat in Tenango Canton, Suchitoto Jurisdiction. The announcer adds that "three more casualties were inflicted on Atlacatl Battalion soldiers in clashes in Chalatenango Department." The station adds that an additional three casualties were inflicted on Morazan Battalion soldiers in Morazan Department.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 20 September broadcasts a one-minute battle report. The announcer says: "Attention ONUSAL [United Nations Observers for El Salvador], attention national and international press, at this moment we are receiving a report that a civilian village in La Estancia Canton, Morazan Department was bombed at 1630 on 18 September by two A-37 airplanes that dropped eight 500-pound bombs."

Paris AFP in Spanish at 1536 GMT on 22 September publishes a 400-word dispatch on a 22 September guerrilla communique that claims that they have inflicted 110 casualties on Salvadoran Government troops during the past week. AFP reports that armed clashes have taken place "despite the truce declared by the guerrillas on 14 September." The AFP item reports that Radio Farabundo Marti contends that the Army has increased their counterinsurgency operations and "asks that humanitarian organizations investigate the death of guerrilla Yesenia Roxana Escalante, wounded in combat and subsequently murdered by Atlacatl Battalion soldiers near Suchitoto, Cuscatlan Department." The AFP adds that Radio Venceremos reports that government troops "tried to locate Radio Venceremos transmitters in Morazan Department. The soldiers have sophisticated radio signal tracking equipment."

Honduras

Villanueva Comments on U.S. Forgiving Debt

PA2709034291 San Pedro Sula LA PRENSA in Spanish 26 Sep 91 p 3

[Text] Tegucigalpa—Finance Minister Benjamin Villanueva has said that the United States forgiving $431 million of Honduran debt is the largest concession of its kind thus far in Spanish-speaking America.

That was the amount of debt created with loans granted to Honduras by the Agency for International Development to buy wheat and corn in the United States.

"We believe this is the most important gesture to date experienced by President Callejas' economic program because it represents recognition that only Chile and Bolivia had thus far extended," he said.

The finance minister added that the forgiving of that amount of Honduran foreign debt "means that our foreign debt has been significantly reduced, bearing in mind that the debt was $3.5 billion and that this forgiveness of debt represents a 12-percent reduction. [quotation marks as published]

Villanueva said that this is relief because the lempiras that had been used before to buy dollars and pay that debt will now be used to cover other needs. He also said that, as finance minister, he not only acknowledges the U.S. Government's gesture but also feels more optimistic about the economic future of Honduras.

He contended that the gesture forms part of the framework of President Bush's Initiative for the Americas, that it represents a unilateral act of goodwill, and that there were no conditions placed on it by the U.S. Government.

Villanueva traveled to Washington on 25 September to sign documents pertaining to the forgiving of the debt in a ceremony to be overseen by President Callejas.

Drug Trafficking Agreement Signed With Mexico

PA2509213191 Mexico City NOTIMEX in Spanish 2203 GMT 24 Sep 91

[Text] Tegucigalpa, 24 Sep (NOTIMEX)—At the end of their bilateral commission's first working meeting on the issue, Mexico and Honduras signed here on 24 September a cooperation agreement to fight against drug trafficking.

The document, signed by Mexican Attorney General Ignacio Morales Lechuga and Honduran Attorney General Leonardo Matute Murillo, outlined an agreement to develop a cooperation agency to fight against drug trafficking and drug abuse.

During the document signing ceremony, Honduran President Rafael Leonardo Callejas said drug trafficking knows no borders and only looks for "immoral gains" at the cost of the health and productivity of all nations.

The president noted that it is necessary to wipe out the drug trafficking gangs, who only harm a nation's liberty and its citizens' health. Callejas added that Mexico's willingness to struggle against these groups is reflected in the signing of this type of agreement.

The agreement has four points that refer to the following: bilateral agreements, development of human resources, exchange of experiences, and interception systems. The attorney generals agreed to analyze the legal procedures aimed at fostering an extradition treaty for criminals and the enforcement of jail sentences.

Likewise, they agreed to exchange information and experiences to form technical and professional cadres to prevent and treat drug abuse.

Mexico offered its experience in the adoption of preventive and corrective measures to eliminate illegal drug plantations, although it acknowledged that in Honduras such activity is not widespread.

Both nations agreed that the critical part of the illegal drug trafficking activity in Honduras involves only trafficking and not the large-scale production of drugs.

The Mexican delegation proposed opening a legal department at the Mexican Embassy to make communications and coordination efforts in legal matters more productive. The proposal awaits approval by the Honduran Foreign Ministry.

Nicaragua

Pardoning of Debt by U.S. Officially Announced

PA2o09173591

[Editorial Report] Managua Radio Nicaragua in Spanish at 1615 GMT on 25 September broadcasts live a one-hour ceremony to announce officially the pardon of $259.9 million that Nicaragua owes to the United States.

After the national anthems of Nicaragua and the United States, an unidentified moderator lists those present at the ceremony: President Violeta Chamorro; Presidency Minister Antonio Lacayo; Foreign Cooperation Minister Erwin Kruger; U.S. Ambassador Harry Shlaudeman; and Janet Valentine, director of the U.S. Agency for International Development in Nicaragua.

The moderator then reads the agreement between the Governments of Nicaragua and the United States on "the pardoning of certain debts owed to the U.S. Government." After reading the document, he calls on Kruger and Shlaudeman to sign the agreement. The moderator then introduces Ambassador Shlaudeman, who delivers a speech, and then introduces President Violeta Chamorro.

After acknowledging the most prominent guests in attendance, Chamorro says that "today is a very special day for the Nicaraguan people. I wish to announce good news for all of you. Mr. George Bush, the president of the United States of America, and his administration are pardoning almost the entire debt that Nicaragua owes that fraternal nation."

She points out that this is very important for the country because it has embarked on an economic recovery program and is trying to strengthen democratic institutions. Chamorro says that "this gesture reflects the trust that the U.S. administration has in the efforts of the Nicaraguan Government and people to strengthen democracy, achieve economic stability, and ensure Nicaragua's incorporation into the international economic system."

The president adds that this and the support of other fraternal countries will allow Nicaragua to negotiate its bilateral debt with the Paris Club in the upcoming months. Chamorro says that "I wish to take advantage of this opportunity to reaffirm my friendship ties with President George Bush and his people and government." She adds that "the past is behind us and the democratic Nicaragua views the future with optimism." Finally, she thanks the U.S. Government and people.

The moderator then notes that some local and foreign journalists requested a brief question-and-answer period.

In answering a question on the bearing of this agreement on debt renegotiation with industrialized countries of the Paris Club, Minister Lacayo says that "it is very important that the United States is pardoning our debt at this moment because we will meet with the Paris Club in November." He adds that President Bush's support for Mrs. Chamorro "will stand as a very strong argument to prompt other industrialized countries to emulate the United States. This is solid support for those negotiations."

Lacayo is asked how much money Nicaragua now owes the United States and he replies that "I believe that there is a balance of about $30 million and that is all, because Nicaragua has received loans from the United States between 25 April and the present."

He is asked by another journalist to discuss the debt from the Somozist and Sandinist regimes. Lacayo says that "when the current administration was installed, the total Nicaraguan debt was $10.8 billion." He adds that negotiations have been made with various countries and agreements to reschedule $1.3 billion in Nicaraguan debt have been reached with Mexico, Venezuela, and Colombia. That debt, he points out, has been reduced to $60 million, a reduction of about $1.2 plus billion. Considering the $260 million pardoned by the United States, Lacayo adds, our debt was reduced by $1.5 billion.

A Radio Corporacion journalist asks Lacayo to comment on alleged concern in certain media and the U.S. Congress for the way the privatization process and national dialogue have developed in Nicaragua favoring certain political sectors in the country.

Minister Lacayo replies that "we are not aware of any concern in this regard." He says that the national dialogue is well regarded, in the United States and other parts of the world "as a genuine effort by the Nicaraguan

Government to consult with important groups of the country, such as workers and producers, on the main economic decisions."

In reply to a EL NUEVO DIARIO journalist's request to clarify his previous explanation on the debt reduction, Lacayo says that the 30 percent-reduction he mentioned pertains to debt owed by Nicaragua to member countries of the Paris Club, to which Nicaragua owes nearly $1 billion. The U.S. pardoning of $260 million, he adds, reduced this debt by nearly 26 percent. He points out that Nicaragua has many other debts.

In response to a question by an AFP reporter linking the U.S. decision to pardon Nicaragua's debt to Nicaragua's withdrawal of its complaint at the International Court of Justice [ICJ] at The Hague, Lacayo says that immediately after winning the elections, the government sent a mission to the United States and Japan seeking economic aid, access to U.S. markets, sugar and meat quotas, and other forms of aid. The U.S. complied with $330 million in aid. Said Lacayo: "We have asked the United States for many things and will continue to do so because we are a poor country and we are not ashamed to ask for aid so the people of Nicaragua can have a better future." Lacayo went on to explain the scope of the aid it received from the United States. He said: "We were seeking aid from a country that we had a pending lawsuit against at the ICJ." He denied the media reports linking the pardon to the withdrawal of the lawsuit; he said that the two issues are related from the viewpoint of friendly nations seeking ways to help each other and enter a phase of dialogue and friendship.

In response to a question by a Radio Corporacion reporter on the manner in which the present government will deal with the debt accrued by the previous regime, Foreign Cooperation Minister Erwin Kruger said that President Chamorro had asked him to head two missions to Moscow to negotiate Nicaragua's $3 billion debt with the USSR. Kruger said: "My last meeting with them was in May; Nicaragua made a specific proposal on terms similar to those we have used in negotiating our bilateral debts with other countries. They examined the proposal and sent a mission to Nicaragua in August. Our positions are drawing closer, and the USSR recently informed us that there may be another round of negotiations in October." Kruger explained that Nicaragua's debts with Mexico, Venezuela, and Colombia have been reduced, the U.S. has pardoned our debt, and in November the government will negotiate the remainder of its debt with the Paris Club.

Responding to a question from an AP reporter on Nicaragua's overall foreign debt, its debt with socialist countries, and the largest debt with a single country, Kruger said: "the largest debt with a single country is with the USSR, which we owe $3 billion. The total $10.8 billion debt has been reduced, including today's pardon by the United States, by approximately $1.5 billion at the current rate because I must speak from the financial standpoint. Thus, we are speaking of $10.8 billion minus $1.5 billion, which comes to $9.3 billion. Pardon me, minus the $300 million we paid to the Inter-American Development Bank and World Bank, we are speaking of approximately $9 billion. At our next formal meeting with the Paris Club, it will stand at $750 million."

Without being asked, President Chamorro attempted to relieve the concerns of the reporters by explaining how she took over an indebted country and has had to knock at the doors of every friendly country. "What a lovely thing it is" she says, "to see how Nicaragua is gradually resolving all of its problems among presidents, leaders, and governments in general." The president went on to say how terrible it is to have to ask for pardons, but the Nicaraguan people must not lose faith; they must remain united and rebuild the fatherland. She thanked the press for their concern, for being present at the signing of the agreement with the U.S. Government, and promised more good news in the future.

After the conclusion of the news conference, Presidency Minister Antonio Lacayo answered questions from local and international reporters. Among other things, he said that the U.S. decision to pardon Nicaragua's debt may encourage the Paris Club countries to do the same. Lacayo spoke of the favorable treatment Nicaragua has received from Mexico, Venezuela, and Colombia. He pointed out that for the past seven months, thanks to U.S. aid, Nicaragua's currency has not undergone any devaluations. "This has been possible," he said, "thanks to aid from the United States and from countries that have always helped Nicaragua, such as the European and Nordic countries; and countries such as Venezuela, which sells oil to us on favorable terms, allowing us to extend credit to farmers."

Lacayo said that in 1992 Nicaragua hopes to have a strong public investment program to ease unemployment. In response to a question on the constitutional reforms the UNO [National Opposition Union] promised, Lacayo said: "for constitutional reforms to become a reality, a qualified majority is required at the National Assembly. The Executive Branch can initiate and send a bill to the assembly, but its approval is entirely up to the Legislative Branch." He said that for a qualified majority to exist in Nicaragua, it will be necessary for the UNO and Sandinist National Liberation Front factions to cooperate because neither have sufficient deputies to qualify for a majority.

Colombian General Investigates Missile Shipment

PA2609223091 Panama City ACAN in Spanish 0035 GMT 26 Sep 91

[Text] Managua, 25 Sep (ACAN-EFE)—On 25 September Colombian General Manuel Bonett Locarno, intelligence chief (information and security) of the Colombian Army, talked to Nicaraguan military commanders regarding the theft of missiles from the Nicaraguan Armed Forces arsenals, allegedly to be sold to Colombian guerrillas.

Gen. Bonett is visiting the country amid great secrecy. The Sandinist People Army (EPS) General Command and the Colombian Embassy in Managua did not comment on the results of Gen. Bonett's meetings with Nicaraguan military commanders.

Government sources, however, pointed out that the Colombian officer asked to meet with Acting Foreign Minister Ernesto Leal and Deputy Government Minister Jose Pallais.

The sources only confirmed that Gen. Bonett arrived on the night of 24 September and will stay in Managua until he clarifies the ties between former EPS personnel, Colombian citizens, and guerrilla movements.

On 21 September EPS Major General Joaquin Cuadra, chief of staff of the Commander's Office, identified the Colombian citizen Jorge Armando Monge as one of the 12 people implicated in gunrunning activities in Nicaragua.

Monge supposedly is linked with the 19 April Movement (M-19), which was dissolved in March 1990 and replaced by the M-19 Democratic Alliance Party (AD M-19).

The local press reported on 25 September that Monge was on a list of guests to the first congress of the Sandinist National Liberation Front (FSLN), the main opposition party, which was held in Managua in July.

Monge was arrested in Costa Rica in 1980. He was accused of belonging to the America Battalion, which supported the Sandinists.

Monge, 46, is an agricultural expert who has lived in Nicaragua for seven years. He is assigned to the Nicaraguan Army's Military Audit Department.

A group of 10 Nicaraguans, most of them former EPS soldiers, stole 16 "SAM-7" and four "SA-14" missiles, with 10 launchers for both types of surface-to-air missiles with their respective loading devices from an EPS depot.

They also stole 639 81-mm mortars, and 39 RPG-7 rocket launchers.

They planned to sell both weapons shipments for $900,000 "to the best buyer," who could be Salvadoran, Guatemalan, or Colombian guerrillas, or drug traffickers.

EPS Silent on Alleged Recontra Supplies

PA2509221591 Managua BARRICADA in Spanish 24 Sep 91 pp 1, 12

[Report by Juan Ramon Huerta]

[Text] Matagalpa—Equipment and supplies for the self-styled recontras operating in the northern part of the country are coming from former military bases located in Kapire, Honduras, according to sources with ties to the rebels.

One person involved in this operation, whose testimony was released in Matagalpa by recontra dissidents, said that since June there have been 20 supply flights, 13 of which were loaded with ordnance and seven with food, uniforms, and medicine.

The sources stated that the supply chain begins in Kapire, Honduras, which for many years served as a resistance supply base.

Jeronimo Tinoco, (Chombo), is in charge of receiving the weapons, ammunition, medicine, and other supplies and delivering them in four-wheel drive trucks to the Honduran-Nicaraguan border.

Our informer says that, at the border, where the contras' old landing strips have been rehabilitated, the packages are loaded onto a white airplane and a small red and olive-green helicopter. These aircraft make domestic flights.

According to our source, another individual known as Florentin is in charge of the entire operation on Honduran territory.

Several former contra chiefs who remained in Palestina, Honduras, after the resistance's disarmament support this large operation, experts say.

These aircraft follow a route that goes from Wastari, Yacal Panani, Cerro Mulucuswan, and Wina, up to Angostura-Iyas.

BARRICADA questioned military leaders in the area but they did not confirm or deny the recontra dissidents' story.

Lieutenant Colonel Rodrigo Gonzalez, a member of the area's EPS [Sandinist People's Army] General Staff, said the Army "has investigated the alleged areas but has found no evidence." He added that "these operations are very difficult under such circumstances."

Gonzalez said he does not believe there is a land and air apparatus in place "to arm a group as small as the recontras. Furthermore, aerial supply is very risky and could mean the loss of an airplane." Meanwhile, Regiment Commander Manuel Calderon, head of the government ministry in the area, commented that "there are reports of incursions by small airplanes," adding that he believes they are involved in drug trafficking. He said the government ministry does not have an official explanation for the dissidents' charges.

Both Gonzalez and Calderon protested the recent abduction of three peasants: Orlando Garcia Cantillano, Abel Guido, and Moises Rizo, from the area stated in the complaint. The three men were kidnapped in Sofana, Puerto Viejo, and Cano Martina, respectively, near Waslala. A special commission is seeking their release.

The dissidents said new conflicts have emerged among the rebels. It is said that there is a dispute between Encarnacion Valvidia, (Tigrillo), chief of the self-styled

recontra council of commanders, and Alejandro Siles, (Gallego), one of the men in charge of receiving the supplies.

A letter sent by a relative of Gallego's to the dissident states that "Gallego's life is in danger" because Tigrillo, his old enemy, will punish him "for a slight mistake" he made while receiving a shipment in the Zapote-Kum area.

Tigrillo is accusing Gallego, our informers add, of filtering information to the central government so that it can handle matters concerning the aerial supply network from nearby.

One person close to Siles (Gallego) reported that the recontras operate in the areas from Puerto Viejo to Zapote (controlling a 12-km strip) and from Cano La Muerte to Angostura de Iyas (another 18 km).

Peasants in the area say they are virtually under the recontras' sway and that they have heard the sounds of a small airplane and a helicopter at night and during the day.

Their descriptions coincide with the recontra dissidents' description of the helicopter. Our sources said that the latest shipment was received recently by the recontra chief known as Charrito.

Correspondent Jilma Rodriguez reports from Ocotal that the Segovia police have reported a strong recontra movement that planned to attack the police garrison in El Jicaro.

According to the peasants' testimony, on 22 September in Las Argelias the recontras received a huge box, the contents of which are officially unknown, from a helicopter that came from Honduras.

The recontras wear camouflage uniforms, carry AK rifles and M-60 machine guns, and move in groups of 20, 30, and even up to 120 individuals under the leadership of "Rafael." They have been seen around such El Jicaro communities as Nance Dulce, Las Quebradas, and Las Vegas, police say.

One of these groups, on 21 September at 1600, attacked a truck owned by merchant Odell Gutierrez Marin as he made his way to San Juan de Rio Coco to sell his products.

Also on 21 September armed recontras attacked a passenger bus in Aguaron, 2 km from El Jicaro. They seriously damaged the bus because the driver, Elvis Perez Ortez—who was wounded—did not obey the order to stop.

This happened at 1800 as the vehicle was being taken to the Susucayan municipality, home of its owner, Randolfo Perez Ortez, the driver's brother, to be put away for the night.

In Quilali, recontras led by "Guapote" are spreading terror in areas such as La Reforma, La Trinchera, and Los Planes, where they plan to attack small EPS units. On the morning of 22 September they violently harassed the San Nicolas cooperative.

Official reports indicate that since June the recontras have murdered 20 peasants, captured 30, attacked two towns, committed five ambushes, and harassed 10 cooperatives.

Media Criticized for Supporting Armed Groups

PA2509233391 Managua Radio Nicaragua Network in Spanish 1815 GMT 23 Sep 91

[Text] Political observers feel that the media in the country that are clearly identifying themselves with certain polarized sectors of Nicaraguan society are not contributing to the stability of the nation.

For example, the media considered to be rightist, such as Radio Corporacion, Radio Catolica, Radio Mundial, and some newscasts that are broadcast over Radio Noticias, are giving broad coverage to the activities of the armed rebels known as the recontras and have sometimes voiced full support for them.

On the other hand, the media that are considered to be leftist or Sandinists, such as EL NUEVO DIARIO, BARRICADA, Radio Ya, Radio Sandino, La Primerisima, and several newscasts broadcast over Radio Noticias, give broad coverage to armed groups that have appeared and are known as recompas [former Sandinist servicemen who have grouped together to face the recontras]. For example, BARRICADA today devotes an entire page to report fully on and promote an armed group that claims it was created to defend national dignity.

Political observers from the field of communications feel that all media directors must urgently meet in order to develop an awareness of the threat entailed by promoting the armed actions and an awareness of the duties included in the national constitution of Nicaragua, which call for respecting the law and contributing to the establishment of democratic institutions.

Official Reports on Situation in Region 6

PA2509232591 Managua Radio Sandino in Spanish 1200 GMT 25 Sep 91

[Telephone interview with Mario Amador, Government Ministry delegate in Region 6, from Matagalpa, by unidentified reporter in Managua—live]

[Text] [Reporter] Good morning. We want to inform Radio Sandino listeners about developments in Mulukuku because there is a lot of confusion about the actions of the so-called recontra groups and of the rural police, who are in charge of the zone as representatives of the authorities. We think you are the most qualified person to explain what is happening to the people.

[Amador] The situation in Mulukuku is as follows: True, the rural police operate there and there is a group led by a recontra named Rojito. There have been holdups but no clashes with the police or army. Three days ago a bus was held up at 0400 near a place called (Puerta Negra). That is what has happened there. So far, there have been no attacks on any army or police agents. This is as far as Mulukuku is concerned.

[Reporter] Are the actions by the rural police and recontra groups tolerated? What is the situation?

[Amador] As I said, there has been no clash in that area. The situation is more or less calm for the police and people living in Mulukuku, Sagua, and that whole region. Some groups, however, feel uneasy when they see recontra groups, but, again, there have been no clashes or actions against the people.

[Reporter] EL NUEVO DIARIO today carried a report on the murder of a Sandinist National Liberation Front [FSLN] political secretary in the area. This happened in the area between (Chinica) and El Varillal, but this person was killed a few days ago. The Puerto Viejo Police confirmed that a former Sandinist Peoples Army [EPS] soldier killed another person, who was reportedly an FSLN political secretary. The killer belongs to a small gang. They are really former EPS soldiers.

According to the information I have from the delegate there and from other persons, the murder involves personal disputes. The killer is seeking four other persons. That is the information I received last night.

[Reporter] This means the situation is getting complex. If former soldiers are moving around and acting like recontras, the region is insecure.

[Amador] In this respect, a small gang is looking for three or four more persons. This is the information I received last night. I repeat, these are personal disputes, not any other kind of actions. That is the report I received last night.

[Reporter] To conclude, what is the progress in Region 6 of the government-sponsored program to disarm civilians carrying war weapons?

[Amador] The program will begin this week. The commission will be installed on 26 and 27 September. We hope to disarm everybody, to begin to bring peace to the residents of the area.

[Reporter] Was the (Ayali)-Waslala road opened? Last night, LA PRENSA reported that the road was closed.

[Amador] The road to Waslala has never been closed. Traffic has been normal. The report was inaccurate because traffic has been normal. To be sure, people are afraid of holdups, as has happened, but they are not really afraid of the recontras' groups.

[Reporter] Thank you, good day. We thank you for your cooperation in informing us about what is happening in Region 6.

Panama

Workers Group Rejects Accord With IFI's

PA2609173091 Panama City EL SIGLO in Spanish 26 Sep 91 p 37

[Report by Jose Gonzalez Batista]

[Text] The Confederation of Workers of the Republic of Panama (CTRP), which represents more than 43,000 workers, on 25 September rejected the agreement signed by Second Vice President Guillermo Ford and the international financial institutions (IFI's), CTRP Secretary General Aniano Pinzon stated. According to the CTRP leader, the agreement could lead to the dismissal of approximately 22,000 government workers.

CTRP Secretary General Aniano Pinzon said the recent agreement between the Panamanian Government and the IFI's, which include the World Bank (WB), International Monetary Fund (IMF), and Inter-American Development Bank (IDB), does not favor the national economy and will have a direct impact on workers.

Pinzon said that Guillermo Ford, minister of planning and economic policy, last week signed an agreement with the IFI's to obtain loans for $700 million in exchange for implementing a series of "neoliberal" measures, including the privatization of government companies, the approval of tax and Social Security Fund [CSS] reforms, and a 3-percent reduction of the government payroll.

Pinzon added: "The government has paid millions of dollars in installments on the debt that it maintains with some foreign financial institutions as a way to sustain its potential to receive successive credits from these institutions."

In turn, Panama will have to pay a $400 million installment on that debt, which is estimated at $6 billion, as a condition for the country to receive more loans in 1992.

Pinzon added that international banking agencies continue to insist on reform of the CSS to use that institution as collateral, a move that constitutes "interference in the internal affairs of Panama."

Dr. Ricardo Arias Calderon, first vice president of the Republic, president of the Christian Democratic Party, and one of the harshest critics of the current government has indicated that the country does not really understand the agreements and asked the government to provide details of the commitments signed abroad.

However, different media have reported that the agreement signed by Minister Ford and the IFI's proposes

swift approval of the social security and tax bills and of legislation to privatize government-owned enterprises.

More than $600 million in arrears will have to be paid to the IFI's. These measures and the implementation of the government's economic plan will permit the country to have its current loans frozen and to receive new credits.

Minister Ford said the government does not intend to fire 22,000 public employees, as reported by the media and proposed by the IFI's, because the government will reduce its payroll through privatization and voluntary retirement. This voluntary attrition plan would reportedly save $30 million, which will finance entrepreneural projects for those public workers who wish to leave the government payroll.

Linares Says Ties With Peru Deteriorating

PY2709021891 Lima EL COMERCIO in Spanish 19 Sep 91 p A 4

["Special report" for Lima's 'El Comercio' by James Aparicio]

[Text] Panama, 18 Sep—Foreign Minister Julio Linares said on 18 September that the diplomatic relations between Panama and Peru have "quite deteriorated" after learning of the disappearance in Lima of Panamanian Majors Heraclides Sucre and Gonzalo Gonzales. Extradition proceedings have been filed against Sucre and Gonzalez for alleged murder and human rights violations. Linares described as "grave" the situation between the two nations.

Linares said that on 18 September he conveyed his 'displeasure and surprise' to Peruvian Ambassador Guillermo Fernandez Cornejo and Peruvian Charge d'Affaires Jose Tenorio and demanded from them an explanation on the whereabouts of Sucre, Gonzales, and Major Edgardo Lopez, the spokesman of overthrown General Manuel Antonio Noriega.

On 6 May 1991, Panama granted to the three former military men a diplomatic safe conduct to leave Panama and allowed them to leave Panama on 10 May following various pressures from the Rio Group and the Latin American Human Rights Association (ALDHU), headquartered in Quito, Ecuador.

"This is a grave situation," warned Linares. Asked about a possible breaking of relations, he responded: "Interpret it the way you want."

In the evening [not further specified], the Peruvian Foreign Ministry issued a communique, reporting that the Panamanian asylees were "warned, in accordance with the international rules governing this issue, of their status as residents, on parole, in Peruvian territory." The communique notes that the Foreign Ministry "is not officially aware of the fact that these people have abandoned the country and is currently engaged in achieving their appearance in the Supreme Court of Justice to which the Foreign Ministry has submitted the appropriate case portfolio on the extradition requested by the Panamanian Government."

Debt Renegotiated With Belgium, Sweden

PA2609230291 Panama City EL PANAMA AMERICA in Spanish 25 Sep 91 p 8c

[Report by Orlando Mendieta]

[Text] The government has decided to sign agreements with Belgium and Sweden to consolidate and renegotiate the debt of over $51 million that Panama owes these countries. This was decided following an agreement reached with the Paris Club.

The Panamanian Government will pay its debts to these countries in 10 consecutive installments, all for the same amount, every six months. The first such payment is to be made on 15 January 1997 and the last one on 15 July 2001.

The Office National du Ducroire will sign an agreement on behalf of Belgium to pay for commercial loans totaling $6,701,533 that were granted to Panama. The Panamanian Government owes Sweden $45,173,771.88 in commercial loans granted to this country.

The payment of the debts will cover 100 percent of the capital and interests (including late payment fees) that were due by 31 October 1990. The payment will also cover 100 percent of the capital and interests (including late payment fees) owed between 1 November 1990 and 31 December 1992.

In preparing the budgets during these years of debt repayment, the executive branch will include sufficient amounts to amortize the capital and interest owed.

The Institute of Hydraulic Resources and Electrification, which received money for the Fortuna electricity project, is one of the institutions that will benefit from the loans.

The agreement between the Paris Club and Panama was signed on 14 November 1990.

Official Comments on Drug Trafficking in Darien

PA2609235991 Panama City EL SIGLO in Spanish 25 Sep 91 p 14

[Report by Oscar Eduardo Lasso]

[Text] Assistant District Attorney Carlos Herrera Moran has told EL SIGLO that the town of Jaque, in Darien Province, on the Colombian border, is the shipping hub for millions [currency not specified] worth of narcotics from the Colombian drug trafficking cartels.

Reports made available to this reporter indicate that most of the population of Jaque are Colombians, who have a tendency to settle their differences through the use of force. This creates a sanctuary for drug traffickers

and murderers, who adversely affect the tranquillity of that sector of Darien Province.

During a recent visit by a team of officials from the Assistant District Attorney's Office led by Herrera, it was learned that the headquarters of the Public Force in the area was in poor condition. In addition, there are only six policemen—who are poorly equipped to counter drug trafficking activities—to patrol the border area with Colombia.

To confront the Colombian drug cartels, the National Police agents have only a few close-range .38 caliber weapons and three T-65 rifles. This represents an extremely urgent situation for Darien Province.

There is a religious organization in the town of Jaque called "Saint Theresa," which has reported to the members of the Assistant District Attorney's Office that the Indian community uses drugs and that most of them do not work, but have large amounts of illegally obtained money.

The missionaries added that the movement of drugs is constant; planes carrying large shipments of cocaine land at all hours of the day, and boats transport the drug to bases spread throughout the area.

The assistant district attorney and his team visited the area to carry out a more intense investigation into the homicides of brothers Arcenio and Cirilo Sarco, aged 12 and 26 respectively, who were hacked to death with machetes and sticks by Colombian drug traffickers who are attempting to turn Jaque into a drug center.

During the tour, the authorities arrested Pacifico Paripari and Gilberto Ortiz, who are allegedly implicated in the homicides. The police said that all that was left of the Sarcos was their bones; the bodies had been in the open for several weeks and jungle animals had devoured them.

Meanwhile, Corregimiento Representative Presentacion Arrocha has collected a large number of homicide files but has been unable to get them to the competent authorities because she lacks the means to do so.

To conclude, area residents have reported the presence of guerrilla groups along the Colombian border, which means that before the year ends these paid assassins will make a surprise appearance and create chaos throughout the country.

Argentina

Cavallo Discusses Economy, Bill on Patents

PY2609171491 Buenos Aires TELAM in Spanish 1409 GMT 26 Sep 91

[Text] Buenos Aires, 26 Sep (TELAM)—Economy Minister Domingo Cavallo said that the U.S. Government will support Argentina's drive to "speed up" the renegotiation of its foreign debt. He forecasted that "within a year, Argentina will be growing fully and vigorously, and living in an atmosphere of consolidated stability."

Cavallo said that during his meeting with U.S. Treasury Secretary Nicholas Brady, and International Affairs Under Secretary David Mulford, they analyzed the development of the Argentine economy and the steps to be taken to renegotiate "and thoroughly solve the debt problem."

The U.S. Government officials agreed with Cavallo on the need to first obtain IMF "support" through an "easy-terms" loan, which would grant Argentina a three-year credit at lower interest rates.

Cavallo said: "This loan would enable us to obtain support" from the World Bank and the Inter-American Development Bank. With these resources we would be able to negotiate with the banks within the framework of the Brady Plan."

Cavallo did not mention dates, but expressed the desire to join the Brady Plan "as soon as possible." He did not deny that the extended-facilities loan may be obtained before December.

Cavallo told Radio America: "Our figures show that we will have no difficulty complying with the estimated primary surplus during the last quarter of this year. Therefore, we will try to begin the negotiation as soon as possible."

He also confirmed that Argentina "has promised to draft a bill on patents in September or early in October," although "Congress will have the last word."

Cavallo added "As in all countries in the world, we made this promise two years ago to prevent trade retaliation. If Argentina wants to attract investors we must respect intellectual property rights."

Cavallo criticized the attitude of the CILFA [Argentine Industrial Center of Pharmaceutical Laboratories], which represents Argentine laboratories. He said: "Seeking to defend the interests of the laboratories, CILFA published a paid advertisement stating that U.S. Ambassador Terence Todman overstepped his jurisdiction."

"It is very bad when a group of companies seeks to create problems in Argentine-U.S. relations in the defense of their own interests. I think they are mistaken. They are not going to achieve anything," the economy minister said.

Cavallo added that the functioning of Hipasam [expansion unknown] "must be assessed by the sector that handles production for the defense area," but noted that "if an enterprise is not capable of generating enough funds through its sales to pay the workers, it faces a very serious problem."

"The only way to keep functioning is by producing and selling at a given rate that will cover its operational costs. Otherwise, it will not be able to remain open," he said.

Cavallo ruled out possible modifications in the average fluctuation of the dollar. "I do not see any reason for making any changes," he said, agreeing with remarks stated by the Central Bank president.

He conveyed his belief that Argentina will begin to grow in just one year, but warned of the need to "continue with an austere attitude because we have not yet definitively resolved the inflation problem nor the Argentina economic process."

* Second Quarter Industrial Production Rises

91SM0498A Buenos Aires AMBITO FINANCIERO in Spanish 15 Aug 91 p 7

Domestic production of electronic equipment was up 221 percent in the second quarter of the year from the figure for the period between January and March, according to the report released yesterday by the Undersecretariat of Industry and Commerce.

The study shows a substantial increase for the 11 categories included under the industry heading, but it also reveals major differences in the levels of production increase. In other words, the increase was clearly selective, and it was concentrated in the sectors linked with consumption, while dollar savings (under the mattress) between April and June were channeled into the purchase of durable goods (automobiles, electronic equipment, and electrical household appliances), in view of the lack of financial options.

The Contrast

This explains why the production of electronic equipment tripled, and automobile manufacturing increased by 107.94 percent. These figures are in contrast with the increase of only 11.3 percent for foodstuffs and 8 percent for metallurgical products. In this last category, the shrinkage of exports had a major effect, while in the cellulose and paper category, which saw an increase of 10.9 percent, the substantial increase in imports, from Brazil in particular, had great impact.

With regard to automobiles, the magnitude of the increase in unit production contrasts with the 22 percent reported for the automotive parts category. This is indicative of the bottleneck that exists in the industrial sector. Apart from these differences, it should be emphasized that the increase in production seen in the second quarter, although it is sizable, had its origins in the earlier low levels, as well as the seasonal factor.

Comparisons

According to the seasonal breakdown of data prepared by the FIEL [Latin American Economic Research Foundation], taking 1984 as a base (1984 = 100), the level reported for the second quarter of this year was 92.9, compared to 81.9 for the first quarter. A comparison of these figures with those for the comparable periods in 1990 shows that there was an increase of 4.2 percent between the first quarter of 1990 and January to March of this year, while the increase between the second quarter of 1990 and the comparable period in 1991 was 4.6 percent.

The highest levels reported in the series, again according to the data developed and released by the FIEL, were seen on average in 1986 and 1987, with levels of 106.8 and 101.6, respectively.

This means that the recovery of production levels, which occurred on a very selective basis, reflects a normalization of the levels, rather than reactivation, the result of the sharp drop in inflation.

Increases in Goods Production

Sector	Increase
Automobiles	107.94%
Automotive parts	22.7%
Food industry	11.3%
Electronic equipment	221.0%
Tractors	28.0%
Farm machinery	15.0%
Cellulose and paper	10.9%
Iron and steel products	8.0%
Glass industry	40.0%
Chemical products	45.0%
Metallurgical products	97.0%

* Details of YPF Privatization Provided

91SM0498B Buenos Aires AMBITO FINANCIERO in Spanish 16 Aug 91 p 4

[Article by Silvia Peco: "Fifty Percent of YPF Shares To Be Sold in One Lot"]

[Text] The PEN [National Executive Branch] of the government has now almost completed the new draft law that will convert the YPF [Government Oil Deposits] into a corporation in which the majority of the stock will be held privately. At this time, the agreement with Mendoza and Neuquen, which are the keys to the scheme, is being finalized. What will remain is the processing in the parliament, which will be considerably facilitated if it is preceded by a pact established with the provinces that produce hydrocarbons.

Some new details about the project were revealed yesterday. Of the total number of YPF shares, 35 [percent] will be reserved for the producing provinces, 55 percent for the national state, and 10 percent for the personnel, with the proviso that both the nation and the producing states should transfer 50 percent of their holdings, altogether, to the private sector.

Where the provinces are concerned, they will receive payment in bonds for the disparity between the oil and gas royalties they have been collecting, and with these bonds they will be able to purchase up to 35 percent of the YPF shares, to an extent proportional to their credit. This arrangement creates a number of problems.

First of all, an agreement must be reached with the provinces on the disparity between the royalties collected and those claimed, and this is the reason for the important role played by Mendoza and Neuquen. They are claiming to be owed the largest sums, because they are the units that are collecting the greatest amounts. The criterion to be used in recalculating the royalties is a key factor for the public sector, and also for the oil-producing enterprises, which are now paying the states directly. The provinces are insisting that royalties be calculated on the basis of the international price, while the view of the national authorities is that they should be calculated on the basis of the price actually paid on the domestic market, which is equal to the international price minus freight costs and some points based on oil quality.

The recalculation will be effected as of 1976, the year to which the claims date back. This provides some idea of the difficulty of the problem. Agreement, then, needs to be reached on an interest rate that is equal for all.

The most probable thing, moreover, is that as the provinces can only purchase up to 35 percent of the YPF stock, they will have bonds left over. In this connection, they are asking to be allowed to use these certificates to purchase other state assets, so that there will be a market on which they can place them.

Terms of Transfer

Where the percentage of YPF shares to be transferred to the private sector is concerned, the prevailing view in government circles is that 50 percent will be sold, "at a minimum." This is based on the opinion of the oil-producing enterprises, which feel that "no one would buy YPF shares if the majority were owned by the state, and if they would have no control over management."

In other words, there is a sector of opinion, that represented by Estenssoro, to which Cavallo would have no objection, in which the view is that the natural buyers for the YPF shares are the companies that produce oil, and that the shares should not be sold on the stock market with the capital being scattered, but as a block.

This is still the point in the proposal, which has been least clearly worked out, but it is believed that the predominant desire is to keep a nucleus of shares representing 50 percent in the hands of the enterprises with management responsibility. If this proves to be the case,

it is still unclear what method will be used to sell the shares in various stages, so as to ensure that the purchaser is in all cases the same.

On the government level, it has not yet been decided if this process will be carried out in one, or over two or five years, and this definition will depend on how the shares are to be offered on the stock market. Initially a "block-trading" mechanism was thought of, with a small proportion of the capital (0.5 percent, for example) being offered for sale on the stock market, thus in order to define the reference price for the block. The block would be then be put up for sale for 30 days, and it would go to the highest bidder.

All of this represents the instrumental aspect, which in reality is still a little confusing on the basis of available information. But what stands out is the fact that the government is prepared to sell 50 percent of the YPF shares, at a minimum, and that this percentage, or a large part of it, will be sold to the large oil-producing enterprises. There are those in the circles involved in this activity who are speculating about a union of the large enterprises, beginning with Shell and Esso, which are those that need crude oil, and including Texaco, ELF [Gasoline and Lubricants Company of France], and the Perez and Astra national companies, which share the operations in the various activities of the YPF.

"I am surprised that the community and the trade unions have not said anything," a businessman commented yesterday in connection with the turnabout seen on this issue in the past two years.

Now the transfer to the private sector seems virtually imminent, pending only some aspects on which agreement with the provinces would still be needed.

Labor Confederation Secretary-General Resigns

PY2709023291 Buenos Aires BUENOS AIRES HERALD in English 26 Sep 91 p 11

[Text] [NA-DYN]—Dragged down by his electoral defeat on September 8, CGT [General Confederation of Labor]-Azopardo Secretary-General Saul Ubaldini yesterday resigned from the helm of the dissident trade union grouping after 11 years of active leadership in the Peronist trade union movement.

In a highly emotional outgoing speech, Ubaldini said "while in 1945 it was (US Ambassador Spruille) Braden or (Juan) Peron, now it's (Terence) Todman or Argentina."

Driven to tears, he aded "the words of our companera Evita are more alive than ever: We're quitting the post but not the battle.

"Have no doubts that today, more than ever, we should all think of unity, solidarity and organization," he said.

Ubaldini pledged to carry on working for the rights of workers and remain active in the leadership of his FOCA [expansion unknown] brewers union. "I did what my heart and feelings told me and from here on will work towards unity," he explained.

Leaders of the other CGT splinter, the pro-government CGT-San Martin, were unaffected by the leadership crisis in the Azopardo branch.

CGT-San Martin leader Miguel Candore said "no member of the directive council will resign because we are the only labour grouping recognized by the government, and thus never accepted Ubaldini as secretary-general."

"It's not time yet to reunite. First we must agree on our programmes and then on the man who will be able to make them succeed," he said.

Ubaldini's resignation was well-received by the so-called independent union bosses, including shop clerks union leader Armando Cavalieri, who said "this was undoubtedly his best move in recent times."

"It will be very useful for the unity of the CGT," said Cavalieri.

Along with Ubaldini, other labour leaders such as Manuel Rey and Domingo Moreyra also left the CGT-Azopardo helm. More resignations were expected shorlty.

Before the mid-term elections, CTERA [Confederation of Education Workers of the Argentine Republic] teachers union leader Mary Sanchez had already quit the directive council while ATE [Association of State Workers] state workers union leader Victor de Gennaro turned his back on Ubaldini's projects.

Ubaldini's power was seriously undermined when labour strongman Lorenzo Miguel, head of the powerful UOM [Metal Workers Union], and SUPE [United Trade Union of State Petroleum Workers] oil workers union leader Diego Ibanez pulled out of the CGT-Azopardo in disagreement over its hard-line tactics.

Planning Secretariat Closed; EPS Created

PY2709023691 Buenos Aires BUENOS AIRES HERALD in English 26 Sep 91 p 5

[Text] (DYN) —The Planning Secretariat was closed by presidential decree yesterday, and the INDEC [National Institute of Statistics and Census] economies survey office will be transferred to the Economy Ministry, where it will be under the orbit of the newly-created Economic Programming Secretariat, it was officially announced last night. The new secretariat will be headed by Juan Jose Llach.

Bomb Blast Damages Church; No Injuries Reported

PY2609182591 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1345 GMT 26 Sep 91

[Text] Buenos Aires, 26 Sep (NA)—A powerful bomb exploded early this morning at the Sacred Heart of Jesus Church, at 3600 Federico Lacroze Street in the Chacarita neighborhood. The explosion caused serious damage but fortunately no one among the many needy people who had sought shelter at the parish was injured.

The church is known as "Father Peter's church." It houses many old people, single mothers, and abandoned children who are welcomed by the parish priest who aids them.

Father Peter said: "We were awoken early in the morning by a dreadful noise and by the shouts of the women, old people, and children who had been asleep."

Commenting by radio this morning, the priest said: "Last year we underwent a similar attack despite the fact that we preach the gospel of love and charity."

The priest ruled out the possibility that the explosion may have been caused by a gas leak, "because we have no gas in the church," adding that "I believe it was a criminal attack, like the previous one."

The blast caused serious damage to the masonry of the church and of a warehouse in which food was stored for those who sought refuge at the church. The priest said that all the food was lost.

The priest added: "Those who were here were evacuated, and we will begin to rebuild everything today with the help of the good people who always support us at difficult moments."

The police are investigating to find out the type of bomb that was used in the attack. The motivation thus far remains unknown.

Bolivia

Plan To Improve Standard of Living Outlined

PY2609234591 La Paz PRESENCIA in Spanish 19 Sep 91 p 4

[Text] The Bolivian Government is seeking to rectify the extreme poverty affecting the country and to improve the people's standard of living. It is also seeking to integrate the underprivileged into productive activity to prevent pressure or any objection to the existing economic model and to the democratic process in the future.

This statement is included in the 'social strategy' document that Planning Minister Samuel Doria Medina presented to President Jaime Paz Zamora 18 September.

Although the economic indexes mentioned in the document reveal the need to implement this strategy, the document also states that this should be a major factor in fighting poverty, because "otherwise, poverty and the underprivileged could become pressured into rejecting the existing economic system, and even the democratic process itself."

The planning minister said that extreme poverty affects any development project.

Estimates project that the poor represent 64.32 percent of the Bolivian population, which totals 6,019,959. Some 1,980,567 of the 3,872,038 poor people live in extreme poverty, which represents 32.9 percent of the population.

The social actions included in the plan will seek to improve the current quality of personnel training, which is responsible for negative labor productivity and the revenues which "severely restrict development."

The government "will not create jobs through direct employment policies but will deal with the employment problem from a viewpoint that will not affect economic stability."

This means that jobs will be generated "in keeping with economic growth and private investments."

Because of the situation, the social strategy plan lays down three basic points: more intensive labor activity; more efficiency; and the supply of basic social services through the restructuring of public spending and assistance to vulnerable areas.

The actions will be aimed at implementing "educational reform," which will promote primary and rural education and the education of women. The program will aim to improve: advanced education; basic sanitary conditions by giving "water to all" through the intensification of current health preventive policies; and assistance programs for vulnerable areas.

The plan will benefit traditional agricultural peasants; those informally linked to small businesses; self-employed people; and those considered by the government to be "vulnerable within society," which includes the elderly, children and "women with social problems."

The first group includes people with a standard of living below the national average in terms of mortality, women's illiteracy, undernourishment, basic sanitary conditions, and productivity. The second group includes abandoned children, the elderly, and women who are the head of a household.

The National Council for Social Policy (CONAPSO) will continue as the focal point for prescribing norms and making decisions on social policy. The CONAPSO is headed by the president of the Republic; the social area ministers; the director of the Social Investment Fund; and—since the approval of the social strategy—the president of the National Solidarity Board; and the director of the Peasant Development Fund.

A CONAPSO technical secretariat will be responsible for coordinating the implementation and assessment of activities and for allocating funds. These funds will be comprised of allocations obtained from an adjustment in budget expenditures, tax revenues, and funds generated from privatizations, donations, and credits.

The minimum results expected within the next 10 years are the following: in health care, a reduction in the mortality rate of mothers and newborns and an eradication of malnutrition; in education, a reduction in the illiteracy rate among women in rural areas by at least 50 percent in relation to the current illiteracy rate, and an increase by at least 50 percent of the number of those attending school; in sanitation, an increase by 50 percent in the water supply to the entire nation, and an increase, by at least 50 percent, of the national services of basic sanitation, sewage, and other services.

Release Possible for Drug Traffickers

PY2609154891 La Paz EL DIARIO in Spanish 20 Sep 91 p 1

[Text] Drug traffickers Erwin Guzman and Antonio Nacif, described by DEA agents as extraditables, may serve a minimum sentence or even be granted provisional release because it was not proven that they were linked to drug trafficking.

The proceedings by judicial police coincide and ratify the testimonies and declarations by the defendants in the sense that they financed drug-trafficking operations and did not act as true drug traffickers. Consequently, there is no major evidence to declare guilty the two individuals who surrendered within the framework of the Repentance Decree.

According to the conclusions of the judicial police proceedings, Guzman and Nacif carried out indirect operations in the triangle of cocaine, made up of Chapare, Santa Ana del Yacuma, and Medellin, Colombia. During questioning, Guzman and Nacif admitted their crimes, turned in their assets, and cooperated with the Special Antinarcotics Forces [FELCN] to break up the organized mafias. These reports are included in the judicial police proceedings drafted by judges assigned to the La Paz Special Narcotics Court.

Guzman and Nacif are being prosecuted for the illegal trade of controlled substances. However, if the defendants' testimony and the judicial police proceedings, along with additional proof, turn out to be true, specific, and unquestionable, this crime cannot be classified as illegal trafficking of controlled substances—only as a crime of association. This crime is punished by a lighter penalty: a maximum of five years for those who turn themselves in voluntarily.

In his questioning, Colombian Luis Betancourt, under custody at the San Pedro jail, charged Guzman and other drug traffickers. Based on these charges, the DEA asked for the extradition of several drug traffickers.

Drugs were purchased in Chapare and sent to the Santa Rosa ranch owned by Raul Rodriguez near Santa Ana del Yacuma. The substance was then transported by aircraft to Colombia, where Oscar Escobar awaited the shipment. Escobar is a cousin of Pablo Escobar Gaviria, who is being held in a special prison.

The FELCN confiscated six ranches located in various provinces of Beni and Santa Cruz Departments, five vehicles, and other assets owned by Guzman and Nacif, as soon as they revealed the details and locations of their properties.

Guzman, a 48-year-old commercial pilot, was born in Beni Department. He is married and has two children. He surrendered to the DEA liaison chief in La Paz on 11 July. Nacif, a 44-year-old rancher, was born in Santa Cruz. He surrendered to FELCN authorities in Santa Ana de Yacuma on 6 August.

Traffickers Explain Surrender

PY2609182291 La Paz PRESENCIA in Spanish 20 Sep 91 p 7

[Text] (ANF)—The Special Antinarcotics Force's [FELCN] and the U.S. DEA's most wanted drug traffickers held an important meeting in Santa Ana del Yacuma (headquarters and hideout of drug traffickers) in order to discuss their joint surrender to Bolivian authorities and avoiding extradition to the United States.

The meeting at Erwin Guzman's house was attended by Oscar Roca Vasquez, Winston Rodriguez, Hugo Rivera Villavicencio, Antonio Nacif, and Guzman himself. The drug traffickers considered that "it was better to serve any sentence in Bolivia than to be extradited."

ANF obtained this information, and reports on testimony, from court police investigation files. The files were explained by the La Paz Antinarcotics Force.

"We did not reach any agreement as a group," Guzman said in reporting on the meeting to a FELCN agent. Guzman did not specify when the meeting took place.

Antonio Nacif (involved in raising cattle), Erwin Guzman (former FAB [Bolivian Air Force] pilot), and Hugo Rivero Villavicencio surrendered under the so-called Repentance Decree while Oscar Roca, Jorge Flores Moises, and Winston Rodriguez are still at large.

"We realized that it was better to surrender to Bolivian justice than to be extradited. The latter would have taken us away from our families and the penalties would have been very harsh," Guzman said.

According to testimony, Guzman and Nacif surrendered under the Repentance Decree out of fear of a trial in the United States and because they wish to "vindicate their names in front of society." Guzman surrendered to a DEA agent in La Paz on 11 July and Nacif to the Special Forces in Santa Cruz on 6 August.

Guzman and Nacif denied that they were members of Bolivia's drug- trafficking network or that they maintain international connections. The two admitted, however, that they financed the purchase of cocaine "indirectly," obtaining thousands of dollars in profits from the deals.

Guzman said he accumulated a fortune calculated at $350,000 that was invested in four ranches, two vehicles, two houses, and 1,500 head of cattle. Nacif said he obtained only $40,000, which he used to purchase two vehicles and to feed his family.

Guzman said he joined the drug-trafficking circle "indirectly" in 1987 when he got in touch with Colombian citizen Alfonso Cardenas, alias "the Blond." Guzman said he made various $40,000 loans to Cardenas, which included another $20,000 in charges when paid back. "When I did not have enough I resorted to 'Pochongo' Anez and Antonio Nacif," Guzman said.

"I knew by indirect means that 'Blond' Cardenas used the money to purchase drugs but I cannot testify to it," Guzman said. Nacif in turn said: "Guzman told me that the money I was loaning him was for drug trafficking."

Asked by the prosecutor if he considered himself a partner of drug traffickers, Guzman said: "I do not consider myself a partner but an accomplice."

"I repent for having participated, indirectly, in drug-trafficking activities," said the pilot, who in 1973 asked for indefinite leave from the FAB, where he was an active-duty aviation lieutenant. "I began working in Santa Ana del Yacuma as a commercial pilot. I flew more than 12,000 hours and earned my first legal salary there."

Guzman said he made important "indirect profits" from drug trafficking and that he used his fortune to purchase the following assets: The "Berlin" Ranch with 3,500 hectares; the "Belleza" Ranch with 1,800 hectares; the "Trampolin" Ranch with 1,300 hectares; and the "Monte Lisboa" Ranch with 2,500 hectares. Guzman also listed 1,500 head of cattle, two vehicles, and two private residences as assets purchased with the indirect profits.

"I give my word of honor that I will hand over all those assets" to Bolivian authorities when they deem it appropriate, Guzman promised. The documents attached to the case include a receipt for $100,000 that Guzman surrendered to police.

Nacif showed the same willingness to surrender all assets purchased with the proceeds of the illegal activity to FELCN.

The two drug traffickers said they were "never" involved in cocaine manufacturing, transporting, or trading. They also denied making any deals with drug traffickers sought by police. They admitted, however, to be "friends," with or "knowing" Oscar Roca; Jorge Flores Moises; Hugo Rivero Villavicencio and his brother Ico; Winston Rodriguez; Rosendo Nacif; 'Nacho' [not further identified]; Fernando 'Pirulo,' and Jesus Abaroma.

Guzman sharply denied any connection with the Santa Rosa case. He also denied Colombian citizen Luis Guillermo Betancourt's statements involving Erwin Guzman, Hugo Rivero Villavicencio, and Jorge Flores Moises in a shipment of more than 3,000 kg of cocaine base to the Medellin cartel. Guzman said he did not even know the Colombian.

The Second Court on Controlled Substances summoned Guzman to testify on charges involving him in the Santa Rosa case. The session is scheduled for 1530 on 20 September.

Senate Recommends Drug Test Procedure

PY2609225291 La Paz PRESENCIA in Spanish 18 Sep 91 p 5

[Text] The Senate recommended that all drug tests on airplanes by Special Antinarcotics Force (FELCN) and DEA experts will now be conducted in the presence of the owners or their legal representatives of the plane.

This recommendation was unanimously approved following the reading of a report by the committee for constitutional, government, justice and police, and judicial affairs. It seeks to resolve a regional conflict in Beni Department.

Beni institutions are demanding the immediate return of commercial air transportation planes that are currently being held by the FELCN.

In a note addressed to the executive branch, the senators express concern over the procedure used by the pertinent organizations in operations that resulted in the seizure of small airplanes and other means of transportation. The note reads: "The Senate recommends that these units be marked during the operations. It adds that later, prior to the notification of the owners and/or the legal representatives, the inspection of these units and the analysis of those controlled substances included in Law No. 1008, be conducted in the presence of a judge who will act as a government representative, and—if requested—of an expert to represent the accused parties."

This recommendation is based on the Constitution which establishes that "all individuals have the right to freedom and to safeguard their property." The Constitution also establishes that "a person is presumed innocent [until proven guilty] and has the right to self defense."

Saavedra Discusses New Development Plan

PY2709021291 La Paz Television Boliviana Network in Spanish 1700 GMT 25 Sep 91

[Interview with Bolivian Ambassador to Argentina Agustin Saavedra Weisse by an unidentified journalist,

described as carried on the Argentine television program "Ambito Diplomatico;" date and place not given—recorded]

[Reporter] What is the coca situation in Bolivia?

[Saavedra] The Bolivian peasants began consuming coca long before the arrival of Columbus in America. Today, however, coca production is excessive. The Bolivian peasants produce coca in excess, not because they are perverse, but because there is a market for that product, which is then processed into cocaine. Thus, the important thing is to channel investment projects into the Bolivian rural economy, so that these peasants will have a stable economy and a guranteed price for their alternate product. This is the theory and the fundamental basis of the alternate development policy implemented by the government of President Jaime Paz Zamora.

[Reporter] What percentage of Bolivian peasants are engaged in coca production, and how many people are working in agriculture?

[Saavedra] Well, agriculture is an important element in Bolivia. A large percentage of people work in agriculture. And for this reason, we want investments, and the U.S. Government and the international community have recognized that we are doing all that is necessary to fight drug trafficking. But we do not want international aid or contribution—we want investments. We want investments and guarantees that the peasant producing an excessive amount of coca will be able to produce other agricultural products which will have a guaranteed market and price to justify replacing perverse coca production.

[Reporter] Ambassador, excuse me. I do not consider coca production perverse. What is perverse is what is made out of coca, such as cocaine, and the trafficking of cocaine. But what are the viable alternatives? What products could be harvested in Bolivia, taking into account the fact that Bolivia has climate problems, etc., which force the peasants to produce coca?

[Saavedra] I am not an agronomist nor an expert in this matter, but we are studying several alternate products, such as coffee and tobacco, to cite some products. I can also mention some types of fruits that are produced, taking advantage of the geographic situation. Some of the alternate development programs are tremendously successful. But what we want is to achieve a true qualitative change in the overall Bolivian rural economy, and at the same time, to relieve the international community of this scourge, which is, as you well pointed out, the perverse use of coca. But coca also has excellent medicinal properties. Coca leaves are not perverse. Coffee is not perverse. Caffeine is perverse, and cocaine is perverse. But coca can also be used as medicine. The United States is also propitiating this because it is part of the alternate development program.

I can say that in Bolivia we have a liqueur made of coca, and a toothpaste, and chewing gum, and other products produced from coca, with U.S. cooperation. The United States is training the people in this task and is promoting investments in the use of coca for medicinal purposes, and to forego the production of drugs. But the fact is that drug production continues. We would be hypocrits to deny it. And to prevent this scourge, we not only need interdiction, but also a qualitative change. How do we achieve this qualitative change? By replacing coca plantations with other products.

Brazil

Collor Expresses Indignation Over Incidents

PY2709003491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Sep 91

In a communique released today, President Fernando Collor expressed his indignation over the demonstrations that took place yesterday in Rio de Janeiro, Belo Horizonte, and Sao Paulo against the privatization of the Minas Gerais Iron and Steel Mills, Inc. [Usiminas]. He added that the privatization process is irreversible.

Presidential Spokesman Claudio Humberto Rosa e Silva received a communique from President Collor in which the president expresses his indignation over seeing in the press pictures of demonstrations against the privatization of Usiminas.

[Begin Rosa e Silva recording] The scenes that the astonished population saw last night are actions carried out by outlaws. These actions are totally rejected by society. They show that democratic rules are not being respected. Moreover, they violate the rules of the ballot box where the privatization program was approved. This project is no longer just a project of the then-candidate; it has become a project of the nation through the desire of the vast majority, as expressed on two occasions. For this reason the project must be respected and, by right, implemented. This is what I intend to do resolutely and with faith in God.

[Signed] Fernando Collor. [end recording]

Government Estimates Coffee Harvest

PY2609190891 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Sep 91 Section 6, p 4

[Excerpt] Brazil finally has a final official estimate for the coffee harvest. Last week Agricultural and Agrarian Reform Minister Antonio Cabrera disclosed that this year the coffee harvest—currently under way—will amount to 26.8 million 60-kg sacks.

According to the survey by experts of the National Supplies Corporation (Conab), with the help of employees of the former Brazilian Coffee Institute (IBC), Minas Gerais State is the largest coffee producer with 11.9 million sacks, followed by: Espirito Santo (5.5 million); Sao Paulo (4.3 million); Parana (3.3 million); and Bahia (700,000).

The last coffee harvest estimate was released in November 1989, when the 1989-90 harvest was estimated at 25 million bags.

During the next few weeks, the Agriculture Ministry will disclose the coffee sector's new structure. Former IBC personnel will be relocated to the sectors in charge of researching, classifying, and examining coffee production. [passage omitted]

Consortiums, Foreign Crop Financing Approved

PY2609153691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Sep 91

[Excerpts] The National Monetary Council [CMN] approved the creation of consortiums to purchase imported goods. [passage omitted on unrelated material]

The CMN reached another important decision: Brazilian farmers can finance their crops with foreign capital.

Agriculture Minister Antonio Cabrera reported that, starting 25 September, farmers can finance their crops with foreign capital. The CMN approved the implementation of the program for export. Now, any type of agriculture produce aimed for export—such as coffee, soybeans, orange juice, cotton, and many others—can be financed with funds obtained from international banks.

Minister Cabrera explained the guarantees to the producers:

[Begin recording] This financing system is important because it does not require National Treasury permission or its support; the producers will be given guarantees by the importer.

The producer sells, for example, 1,000 sacks of soybean on the international market and then pays, with the revenue from the produce, for the 1,000 sacks of soybean to the international market where he obtained the money. [end recording]

Farmers interested in this financing system can use any national bank or cooperative. The financing will have a one-year term, international rates, and an annual interest rate of up to 12 percent.

Dauster To Head Mission to European Community

PY2709011491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 26 Sep 91

[Report from Economy Ministry by Cristina Indio do Brasil]

The Brazilian mission to the European Community will be headed by Ambassador Jorio Dauster. While in Brussels, the former foreign debt negotiator will coordinate the negotiations with the Paris Club.

Ambassador Jorio Dauster, who acted as the official foreign debt negotiator with the creditor banks, will travel to Brussels tomorrow to head the Brazilian mission to the European Community.

Dauster will coordinate Brazil's negotiations with the Paris Club. These negotiations will begin as soon as Brazil reaches an agreement with the IMF. They are scheduled to reach an agreement on part of Brazil's $20-billion debt and the $5-billion in overdue interests that are owed to the official export credit institutions.

Pedro Malan, the current foreign debt negotiator with the creditor banks, will leave for the United States 27 September.

On 30 September or 1 October he must present to the banks the Brazilian Government's response to a counterproposal that the banks delivered last week.

One of the points on which agreement must be reached is linked to the bonds that Brazil proposed for the conversion of debt certificates into debt bonds. The banks want the Brazilian Government to guarantee the bonds.

An IMF mission will leave Brazil tonight. Next week, a Brazilian mission will go to Washington to continue negotiating with the IMF.

Expectedly, a technical agreement between Brazil and the IMF will be reached by late October for the IMF directorate's subsequent approval.

EC Ties to Latin America Discussed

PY2609152691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Sep 91

[Report by Corban Costa in New York]

[Excerpt] Foreign Minister Francisco Rezek met with several diplomats here 25 September. The first meeting was with Portuguese Foreign Minister Joao de Deus Pinheiro. Among other topics, they discussed a trade rapprochement between the EC—which will be presided over by Portugal from January to June 1992—and Latin America.

Minister Rezek said that Portugal supports this rapprochement but cannot increase the number of EC priorities too much. Minister Rezek added, however, that it is almost certain that the EC will give special attention to the Southern Cone as a result of the creation of the Common Market of the South [Mercosur].

[Begin recording] The justification for this priority is the creation of Mercosur, which has a fully integrationist policy similar to that of the EC. [end recording] [passage omitted]

Usiminas Auction To Be Held Next Week

PY2609232491 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 25 Sep 91

[Excerpt] Eduardo Modiano, president of the BNDES [National Bank for Economic and Social Development],

said that the Usiminas [Minas Gerais Iron and Steel Mills, Inc.] auction will be held next week. Modiano spent all day today in Brasilia meeting with government authorities.

Upon his arrival at the Finance Ministry this afternoon, Modiano said that he was satisfied with the latest resolutions by the Supreme Court regarding the Usiminas auction. A resolution issued today by the Supreme Court ratified the decision by Justice (Americo Lus) yesterday to authorize the use during the auction of any currency listed on the pertinent document.

The BNDES president said that yesterday's auction was suspended because by 1300 it was still undecided what currency would be used to buy Usiminas shares, causing uncertainty among the investors. Now, as a result of the Supreme Court's decision, Modiano believes that Usiminas auction is a fact. The government only needs a few days to make the necessary administrative arrangements and to set the date for the auction. [passage omitted]

Informatics Draft Bill Approved by Chamber

PY2609184691 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 25 Sep 91

[Text] The Chamber of Deputies approved the new informatics draft bill. This new law will eliminate the market reserve in October 1992.

The new law exempts national enterprises and those in partnership with foreign groups from paying the IPI [Tax on Manufactured Products] for the next seven years.

The informatics market will be completely free in 1997.

Chile

Aylwin Urges Teachers Not To Strike

PY2609230791 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 26 Sep 91

[Text] President Patricio Aylwin mediated to prevent the strike announced by teachers for 27 September. After his efforts apparently failed, he decided to deliver a message to the country via national radio and television.

He challenged teachers to seek solutions to the social problems through dialogue and not through pressure. Aylwin labeled the strike planned by the teachers as unjust.

[Begin recording] Countrymen: The country is a witness to the effort my government is making to reach rational solutions through dialogue and to search for agreement on the most serious social problems affecting the various sections which constitute our country. The high sense of responsibility and common sense shown by social organizations, especially the unions and their leaders, have been a decisive factor in this regard.

Yesterday I met with the leaders of the Teachers Union as a result of the announcement of a teachers strike scheduled for 27 September. I was disturbed and pained when I heard that announcement. I was disturbed because the announcement reveals a serious misunderstanding, as it abruptly breaks the frank and friendly dialogue which my government always maintained with the Teachers Union. I felt pain because the teachers statute promulgated only two months ago is a law that was drawn with the active participation of the Teachers Federation. This law provides the teachers important benefits which now seem to be ignored or forgotten.

A strike is like resorting to force as a last resource for lack of rational solutions. Chileans cannot ignore the special effort being made by this government to improve the quality of education and the condition of teachers. The call for a strike is a great injustice. The deterioration of one or two decades cannot be recovered in one and one half years.

This year we increased the 1990 educational budget by 12 real percentages. We plan to increase it by another 12 percent next year. In addition, no one can ignore that there are other public servants whose low salaries have yet to be increased. The duty of the government is to satisfy with equity the different social needs, which it must do with the resources available in the state.

I make a cordial call to teachers, to health workers, to doctors, to the public servants in general, and to all the people to understand that the use of pressure and force cannot lead to a just solution to their problems. Such methods will not force the government to forego the principles of equity and rational use of resources, or shirk its duty to use its powers in accordance with the law. [end recording]

After President Aylwin spoke, Osvaldo Verduro, the head of the Teachers Union, said that a teachers national assembly will either confirm or suspend the strike announced for 27 September.

Teachers Vote To Strike

PY2709030691 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 27 Sep 91

The leaders of the Teachers Union confirmed today [26 September] that a national strike is scheduled for 27 September. The strike was approved with 63 votes in favor and 13 votes against.

The teachers' national assembly began at 1130 in the presence of 76 representatives from the majority of the Chilean regions. There was great expectation during the assembly because last night President Patricio Aylwin spoke to the country and the teachers.

The assembly had the power to suspend the strike. The union leaders allowed the press and photographers to film the meeting and to take some pictures but the press was then asked to leave. Reportedly, there was a heated

debate. Several delegates were about to suspend the strike but finally a vote was held and a large majority voted for the strike.

Chilean, Mexican Governments Eliminate Visas

PY2609185091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 24 Sep 91

[Summary] The Chilean and Mexican Governments signed an agreement today to eliminate visas between the two countries. The agreement is a complement of the free trade treaty signed during the visit of Mexican President Carlos Salinas de Gortari.

Colombia

Wolff Denies Ties to Nicaraguan Arms Issue

PA2709024691 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 25 Sep 91

[Text] In Managua, Colombian and Nicaraguan experts have begun investigating the identity of a group that allegedly purchased an arsenal stolen from the Sandinist army.

The 19 April Movement [M-19] was accused of being involved in the operation. Antonio Navarro Wolff, leader of the M-19 Democratic Alliance, sent President Gaviria a letter denying the accusations.

Navarro Wolff reacted strongly to the scandal surrounding the alleged purchase of 20 SA-7 and SA-14 missiles stolen from the Nicaraguan Army. Former M-19 member Jorge Armando Monje was implicated in the case. In a letter to President Gaviria, Wolff said that because this is the pre-electoral period, there were many rumors regarding the M-19's involvement in this case.

Navarro Wolff added that his party rejects any insinuation—as veiled as it may be—about M-19 participation in this matter. He also stressed that the M-19 wants peace and offered President Gaviria all the cooperation he needs in the investigation. However, in his letter, Navaro emphasized the fact that certain politicians took advantage of this Nicaraguan arms issue.

Assembly Passes New Antiterrorist Law

PA2709040591 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 26 Sep 91

The antiterrorist statute is now a law. The Legislative Assembly approved most of its articles. The purpose of the law is to punish the illegal acquisition of wealth, a crime that exists not only in the realm of drug- trafficking activities.

Reportedly, in spite of strong opposition from three political movements, 24 of the 36 articles that were discussed were approved.

Government Minister Humberto de La Calle explained that the law applies to cases of terrorism and not to public demonstrations or cases of rebellion. In Caracas, the Simon Bolivar National Guerrilla Coordinating Board declared itself in a state of alert because it feels that the approval of the antiterrorist statute seriously affects the peace process because it puts limits on peaceful demonstrations and political activities.

During the Legislative Assembly's discussions, the 19 April Movement Democratic Alliance, the Patriotic Union, and the Hope, Peace, and Liberty Movement opposed the motions in favor of approving the law.

The article that created this difficult situation reads: Whoever engages in actions that endanger the lives, physical integrity, or liberty of the people; whoever puts in danger buildings, means of communication, transportation, or equipment; whoever uses means capable of producing damage to promote a state of fear; and whoever tries to intimidate the population, or part of the population, is liable to serve prison terms ranging from 10 to 20 years and to fines equivalent to 10 minimum salaries [as heard].

Roundup of Guerrilla Activities, 18-25 Sep

PA2609174991

[Editorial Report] Santa Fe de Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 20 September broadcasts a one-minute report on heavy clashes between the Armed Forces 12th Brigade, and the Revolutionary Armed Forces of Colombia, FARC, 13th Front, in the southern region of the Caqueta Department, where rebel forces tried to block the road between Albania and Curillo. A high number of rebel casualties was reported. The Army seized long- and short-range weapons. The commander of the Armed Forces 4th Division disclosed that military control and surveillance have increased significantly, and that rebel action by the FARC, 14th and 15th Fronts are increasing in the Caqueta and Meta Departments.

Santa Fe de Bogota EL TIEMPO in Spanish on 20 September on page 1a carries a 435 word report on a Defense Ministry roundup of guerrilla activities. The report states that on 13 September, alleged members of the FARC 24th Front killed five peasants named Francisco Garcia Giraldo; Julio Antonio Gutierrez; Fernando Robles; Raul Castrillon; and Luis Vargas, in the towns of San Pablo and San Pedro de la Sierra, in Cienaga Municipality, Magdalena Department.

Santa Fe de Bogota Inravision Television Cadena 1 in Spanish at 0000 GMT on 25 September broadcasts a one-minute report on clashes between the Armed Forces and alleged Army of National Liberation, ELN, forces that tried to destroy a toll station near Sincelejo, Sucre on 24 September. The rebels also ambushed Corozal Marine Infantry Battalion troops. One soldier died and another four were wounded. The ambush took place at 1245 when two military vehicles carrying soldiers from

the Corozal Marine Infantry Battalion were traveling along the Corozo-Toluviejo highway.

Peru

'Text' of Fujimori Address on Armed Forces Day

PY2609034091 Madrid EFE in Spanish 0320 GMT 25 Sep 91

[Text] Lima, 25 Sep (ANDINA)—President Alberto Fujimori announced today that his government will carry out an all-out war against subversion, he will obtain respect for our country's sovereignty, and he will ask international organizations, especially those that defend human rights, for honesty.

He made this announcement in a speech he delivered on Armed Forces Day during a luncheon hosted by the Armed Forces joint command.

Here is the text of the speech delivered by the president during a ceremony in Las Palmas to mark Armed Forces Day.

Lima, September 24, 1991

As in the previous year, I wanted to share this meeting of comradeship and institutional joy celebrating Armed Forces Day.

We are experiencing a different situation with respect to that prevailing in the country one year ago. The people and the strong reality of events have given the prophets of disaster and the democrats of convenience a lesson in civics and love for the fatherland.

A country is the sum of its leading institutions in which its health and national characteristics are reflected. The Armed Forces, which are the country's moral reserve, are among these institutions. The Armed Forces are the bastion of the fatherland, which is threatened by internal and external enemies. Our history has confirmed this fact.

We faced a bitter experience 112 years ago when we entered a war [the 1879 Pacific War, which pitted Peru and Bolivia against Chile] in a position that was obviously disadvantageous. The country had not yet consolidated into a national project. Internal struggles caused by ambition and meanness had exhausted the Republic. Chaos and a lack of leadership and national awareness added to the venality of some rulers.

Less than one year ago, during my visit to the heroic city of Tacna to celebrate the date when it rejoined the country, I said that the same troubles that affected Peru in the past are again threatening it. We are witnesses to the scandalous bribery of BCR [Central Reserve Bank] employees. Today, 100 years later, the bribery resulting from the deposit of our national reserves in the BCCI [Bank of Credit and Commerce International] makes us recall other cases of corruption and treason against the fatherland. Fortunately, we are overcoming this situation.

The situation that prevailed in Peru in 1990 has changed. Despite many difficulties and needs, our country can feel that it is no longer breathing rotten air.

In 1879, we had to pay a high price because of irresponsibility and corruption. The acts of those frivolous, venal politicians had to be washed with the blood of the people and illustrious soldiers who died to prevent a military defeat from turning into a moral defeat.

The lessons we learned from heroes like [Miguel] Grau [admiral who fought in the Pacific War], [Colonel Francisco] Bolognesi [hero of the Pacific War], and [Andres Avelino] Caceres [president of Peru 1886-1890 and 1894-1895], as well as from the Armed Forces, the people, and the moral reserve of a country affected by a military defeat made us retain honor and glory.

In 1991 we engaged in another type of war. We have domestic enemies who act with cruelty against the state, society, and the Republic. They have emerged at a time when the country is weakened by mismanagement and corruption. The Peruvian people cannot imagine the great corruption that has affected all sectors of our country. We have the sacred obligation of preventing corruption from contaminating even more of our society. The work carried out in our country does not justify its huge foreign debt. We face an inexplicable foreign debt caused by huge, medium, and small bribery. Peru has been the permanent goose with the golden eggs for those who deep down inside do not appear to have a fatherland.

The country's situation has changed. There are some people who have not yet perceived this change, who do not understand that other performers have emerged, that there are new ways of assessing democracy.

During this government's first year in office, we laid down the basis for national reconstruction. The recent effort to return Peru to the international financial system and the credits that were obtained are proof of the obvious defeat of subversion and all petty politicians [politiqueros]. A country that begins to solve its problems and to defeat corruption is a country with a future. As soon as the light at the end of the tunnel becomes clearer and closer, those who seek to take political or electoral advantage at the expense of our country's ruin will start to disappear just like shadows at noon.

We know that the terrorists and their front organizations or their pawns will not give up and will resort to all possible means to damage Peru's image on the grounds that the Armed Forces systematically violate human rights. This is the main excuse used by those who truly violate human rights in Peru. Why are these front organizations, these so-called professional organizations, inconsistent in their defense of life and freedom, and why do they not denounce the atrocities committed by

Shining Path terrorists—who force a son to kill his father because of the son's fanaticism? Why do they not denounce the death of innocent children from car bombs planted by MRTA [Tupac Amaru Revolutionary Movement] terrorists? They are inconsistent in their actions because, in some cases, they belong to the subversives' legal branches. But we will unmask them. We will not be the target of their clumsy game. We will pacify the country in a disciplined manner and by respecting human rights. We are right to do so. We will not favor terrorism by providing it with simple arguments—the only ones they now have—that they and their accomplices can take to the United States and Europe to make accusations against us. We will engage in this war with discipline and patience in a way that they do not expect or wish.

But we need the entrenchment of legality and democracy, without concessions to totalitarian terrorism, which rejects these principles. The country has made a great effort to successfully rejoin the international community, and these goals should not be tarnished by some communist politicians who are clearly attempting to boycott the democratic system and fuel an international smear campaign against the Armed Forces.

In the new pacification strategy, the Armed Forces must be the vanguard of the struggle for development and social justice.

The Armed Forces, together with the population, will definitively defeat terrorism. The Armed Forces will not appear in the way terrorism imagines them in its dreams of taking power—stained with the people's blood, blindly repressive. These are just dreams. We will not play into their hands.

The Armed Forces have already taken up national pacification under these terms. The design and planning of the new antisubversive strategy and the conduct of military operations within the framework of the law not only demonstrate the high degree of professionalism among our officers and chiefs, but also allow a fruitful meeting of the people with their Armed Forces.

The results of this strategy are already being felt. This is why we observe the first indications of a process of frank involution among terrorists. The subversive groups have had to retreat to their initial forms of action, to the elementary stages of wild, homicidal terrorism. Their intimidating practices are now close to vulgar gangsterism.

We will always denounce this gangsterism, this wild action disguised as revolution before all international human rights organizations. The world must learn that the terrorist gangs in Peru are attacking the life and safety of hundreds and thousands of people everyday under the false pretext of carrying out a revolution. Students, religious people, foreign experts, women, and mothers who work for social programs are threatened with death everyday. Many of these threats become reality. We will defend the lives of these people. The government will defend their lives, and we will now ask international organizations to honestly comply with their role.

We will also fight in this field. Now that subversion does not have the capability of cutting the supply of essential goods to Lima as it did in the past, it wants to cut our supply of international credit and cooperation. This is why the lawyers of terrorism are carrying out a slander campaign abroad. We will unmask them.

It is clear that now that we want to return order to the country, they will resort to these sorts of recourses or brutal murder. There is Raucana, which we entered to impose order with the approval of the population. There are Oxapampa, Yauyos, and the Mantaro, Ene, and Apurimac Valleys. There are the towns of Huaycan and Horacio Zevallos, which I visited to notify the terrorists that their reign is ending, that the government has strengthened and it is again imposing order, replacing barbarianism with legality and the Constitution. Is this not what the country wants? Peru will now rejoin peace and development.

The law rules our society and Peru's relations with other countries. This is why I must clearly state, as constitutional president of the Republic and as supreme chief of the Armed Forces, that our relations with our neighbors are based on law. Thus, our relations with the sister Republic of Ecuador are framed in the Rio de Janeiro Protocol.

The steps taken in the past few weeks with regard to a border incident have been coordinated by our Foreign Ministry and our Armed Forces. The Armed Forces, our security institutions, are the first to defend our sovereignty. There is no retreat in this aspect.

Political manipulation is a subject which all Peruvians should agree is unacceptable to us. We cannot manipulate something to obtain political credit. This is why we think it is condemnable that certain media, forgetting the Peruvian image abroad, should say that the Peruvian Air Force invented a technical problem to allow the president of the Republic to remain in a U.S. city for a few more days during our recent trip. What will foreigners think of this? Are those responsible for the publication aware of how this is seen abroad? Or is it that hatred blinds them and makes them forget a minimum of respect for their country? The Peruvian Air Force, which has permanently demonstrated its efficiency and professionalism, does not deserve this kind of insult, at least not from Peruvians. Selling news is not as important.

Here, I want to make atonement to our Air Force, which acted with great efficiency to repair a technical problem in record time and to allow an historic mission to conclude happily.

On Peruvian Armed Forces Day, I want to point out the commitment of the Armed Forces institutions to the reconstruction of Peru, a limitless commitment such as that assumed by Grau, Bolognesi, and Quinones. The

enemies of Peru will always want to establish a distance between the people and the Armed Forces, but this distance does not exist—the Armed Forces are the people dressed in uniform.

The Armed Forces nourish themselves in their Peruvian source, which is our people. They must become the champions of a crusade to strengthen democracy, which is the only system that will allow us to overcome the structural maladjustments we inherited. They will help us create an awareness of ourselves as belonging to a noble, hard-working, and vigorous nation capable of overcoming any adversity.

Peru is confident of its future because it knows that its Armed Forces are the best guarantee for consolidation of our democracy, and that with their dedication and work in this hard struggle to attain peace and progress, they are demonstrating that they have reached the maturity demanded by the critical moments that the nation is living through.

Gentlemen: The task must continue without fail until Peru is strengthened and becomes prosperous. This is our beginning and our goal.

Long live Peru, long live the Armed Forces. Thank you.

Armed Forces Pledge 'Total Support' for Fujimori

PY2609185591 Madrid EFE in Spanish 2344 GMT 24 Sep 91

[Quotation marks as received]

[Text] Lima, 25 Sep (ANDINA)- -The Armed Forces today pledged their total support for President Alberto Fujimori's government, reiterating their firm decision to defend national sovereignty. They reject all threats that endanger the interests of the fatherland, saying that "security does not permit concessions."

Defense Minister General Jorge Torres Aciego was entrusted to deliver this message of support from the military institutions during the luncheon for the head of state, in his capacity as Armed Forces commander in chief, Armed Forces Day.

Torres Aciego said with emotion that history has taught us that we must not allow a repetition of painful experiences "and therefore all efforts and sacrifices are justified."

The minister lauded Fujimori's visit to the United States, which he described as politically "brilliant," because it presented to the world a more just and true view of Peru.

"It was also beneficial for the military because they believe in the economic recovery and in improving the Armed Forces operative capacity "so as to become more efficient in the fight against drug trafficking and subversion," the minister said.

Addressing the Armed Forces personnel, the minister said that the Peruvian people trust the patriotism of their soldiers.

"They know that we will not permit anything or anyone to attack our sovereignty and that the fatherland that we inherited will remain intact," Torres Aciego said.

The defense minister asked his colleagues to renew their pledge to the national flag, to respect the Constitution, to defend the fatherland, and to prevent our sovereignty from being defiled.

"Let us promise to defeat internal and external enemies who seek to hurt the fatherland because history, the nation, and our honor demand it," Torres Aciego stressed.

Torres stressed his pride at being a member of the Armed Forces, who are the trustees of Grau and Bolognesi's [Peruvian national heroes] glories. He exhorted military personnel to conduct themselves with the required professionalism and individual honor toward their duties, to fulfill their tasks, and to die for their fellow countrymen if the need arises.

"The challenge of national transformation does not accept delays, doubts, or the shirking of responsibilities. It demands a firm decision by all Armed Forces personnel to sustain our system and to respect our Constitution and laws," the minister said.

The minister said that the principal task of the Armed Forces is national defense, but that they must also support development.

Torres praised the Armed Forces' work to link isolated and forgotten towns, to open new roads, and to build bridges that link previously inaccessible areas.

"The Armed Forces quietly and anonymously work to integrate jungle towns with the rest of the country and to help townspeople in the areas of education and health," the minister said.

The commanders of the three military branches attended the reception that was organized by the Joint Command at the FAP [Peruvian Air Force] Officers School at Las Palmas Air Force Base.

Law Authorizes Foreign Investment in Free Ports

PY2709005191 Lima EL COMERCIO in Spanish 22 Sep 91 p 1

[Text] Through Law 25340, published in the official gazette EL PERUANO, the government yesterday authorized free direct foreign investment, by individuals or companies, in "Free Industrial and Touristic Ports and in Special Commercial Treatment Ports."

This law includes a number of modifications to Law 25100, or the "Basic Law on Free Ports and Special Treatment Ports," issued by the previous government.

Thus, it is constitutionally authorized that private institutions may promote free industrial and touristic ports and special treatment ports with the purpose of promoting, organizing, and proposing projects for the installation and development of those ports.

These institutions will enjoy for 15 years the benefits granted to the users of the free industrial and touristic ports to develop the infrastructure, to rent or transfer the installations, and to carry out promotion and marketing activities to attract investment companies.

The users are exempt from any national or regional tax created or to be created, including those requiring an authorization for any exemption, for a 15-year period, except for contributions to the IPSS [Peruvian Institute of Social Security], Fonavi [National Housing Fund], and Senati [National Service for Industrial Work Training], or any taxes implemented in the event of a public calamity.

The new law, as with the previous modified law, states that the creation and establishment of free industrial and touristic ports and of the special commercial treatment ports in the country is of national interest, "with the purpose of promoting and proposing socioeconomic development through decentralized areas of industry, trade, and tourism."

International Education Conference Meets in Lima

PY2509212391 Madrid EFE in Spanish 0111 GMT 25 Sep 91

[Excerpts] Lima, 24 Sep (ANDINA)—Senator Maximo San Roman, Peru's first vice president, today said that the Inter-American Development Bank (IDB) will grant Peru a $70-million loan for investments in the area of education.

He made this announcement during the 26th annual assembly of the Latin American Council of the Administration School (CLADEA) [Consejo Latinoamericano de la Escuela de Administracion] that has been meeting at the Esan [School of Business Administration]. The central topics of the conference are the role of the state and the responsibility of government in promoting development. [passage omitted]

Fernando Belaunde Terry, former president and senator for life, proposed that the creditors pardon one third of Peru's foreign debt with friendly countries and commercial banks as a way to relieve the country's economic situation. [passage omitted]

Belaunde said that the country must scrupulously respect its commitments with the World Bank, the IDB, and the IMF among other multilateral organizations. [passage omitted]

It was reported that Economy Minister Carlos Bolona will close the plenary session of the CLADEA tomorrow afternoon. Bolona will speak on Peru's reincorporation into the world economic community.

Reportage on Killings, Acts of Violence 23-25 Sep

Lima Electricity Knocked Out

PA2709040491 Paris AFP in Spanish 0146 GMT 27 Sep 91

[Text] Lima, 26 Sep (AFP)—The greater part of Lima and a vast coastal region of Peru were left in the dark as a result of a dynamite attack on the night of 26 September against electrical facilities, the police have reported.

One dozen explosions shook diverse zones of the eastern, southern, and northern parts of Lima. The authorities have not reported any deaths or injuries thus far.

At least two bombs exploded near the radio patrol command post, a large police installation located in the populated district of La Victoria. The zone was immediately cordoned off by National Police personnel.

The power outage extended to many cities up to Chiclayo, 750 km north of Lima, and Nazca, 370 km south of the capital.

The targets of the attacks were banking facilities and state organizations, which are generally attacked by the Maoist Shining Path guerrillas, who the police hold responsible for the power outage.

The dynamite attacks against utility towers interrupted the electrical Mantaro interconnection system, the principal company supplying power to Lima and other Peruvian cities.

The police have launched special operations to protect citizens and arrest suspects.

More Explosions During Outage

PA2709042691 Madrid EFE in Spanish 0340 GMT 27 Sep 91

[Text] Lima, 26 Sep (EFE)—At least 20 bomb attacks, which injured two persons, took place today in different parts of Lima during a general "outage" caused by terrorist attacks on electrical facilities, police sources have reported.

An old man and a child were hit by shrapnel from a bomb that exploded at the entrance to a bank, which sustained considerable damage, in Jesus Maria District.

At least nine other banks were the targets of terrorist attacks, which also caused considerable damage in the districts of Barranco, La Victoria, San Luis, and Chosica.

According to residents, explosions were heard near the Magdalena military garrison and the central headquarters of the Army in San Borja.

Witnesses have reported that there were other explosions in the coastal beach resort of Chorrillos, although the areas affected by the explosions were not mentioned.

A general power outage in the Peruvian capital and in the port of El Callao also affected regions 780 km north and 488 km south of Lima.

A spokesperson for the state electricity company said that the "violent and sudden" interruption of power presumably was caused by a terrorist attack on the installations of the hydroelectric interconnection system of the Mantaro River in the Peruvian central mountain range, which supplies electricity to vast regions of the northern, central, and southern part of the country.

The same spokesperson said that 45 minutes after the power outage, 30 percent of service had been restored.

According to a special parliamentary commission, the damage caused by terrorist attacks in Peru over the past 11 years, since the Maoist "Shining Path" took up arms in May 1980, is estimated at $18 billion.

Amry General Killed

PA2609151291 Madrid EFE in Spanish 0543 GMT 26 Sep 91

[Text] Lima, 26 Sep (EFE)—Police sources have reported that Army General Walter Pena Rivas was killed on 25 September by unidentified assailants at Los Delfines Beach in the Costa Verde Region in Lima's Miralfores District.

The sources added that they have not established if this was a terrorist action or a crime perpetrated by common criminals.

The officer, who according to the police report was accompanied by his wife, was attacked in his automobile by the killers who shot him in the head and chest. Some witnesses indicated that before killing him, the assailants forced his wife to get out of the car.

Agents of the Homicide Division and the Counterterrorism Division of the National Police did not provide further details on the case.

Settlers Killed, Kidnapped

PY2509172891 Madrid EFE in Spanish 0209 GMT 23 Sep 91

[Text] Lima, 23 Sep (ANDINA)—The Armed Forces Joint Command reported that 13 defenseless settlers from San Miguel District, La Mar Province, Ayacucho Department, were cruelly murdered by terrorist criminals who attacked the Anchiguay Sierra hamlet on 19 September.

The report states that a large terrorist column armed with guns and knives killed the hamlet's settlers.

The victims' names are: Porfirio Huaman Espino, 32; Maximo Huaman Espino, 50; Demetrio Lara Perez, 28; Victor Aquila Perez, 17; Nicolas Huaman, 35; Jeremias Borda Escalante, 16; Alberto Borda Escalante, 13; Gerardo Cayahua Perez, 33; and Florencio Cayahua Perez, 35.

There still remain four unidentified bodies of approximately 49, 48, 25, and 35 years of age.

The military report states that after the attack, the terrorists kidnapped Alicia Vilchez, 17; Alberta Duran, 17; and Sabina Aguilar Duran, 19. The Armed Forces Joint Command states that this terrorist action once again demonstrates the terrorists' contempt for human rights.